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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 545th MEETING

held at the Palais des Nations, Geneva,
on Monday, 6 March 1961, at 11.30 a.m.

President: Mr. OBAIDI (Libyan Arab Jamahiriya)
later: Mr. HUMPHREY (United Kingdom)

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Opening of the session

Procedural matters

(a) Election of officers

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The meeting was called to order at 10.5 a.m.

OPENING OF THE SESSION

1. The PRESIDENT, declaring open the twenty-second session of the Board, said that he would like to see initiated a new procedure whereby the outgoing President, before handing over the presidency, made some observations concerning the period of his tenure of office. He himself had not had an opportunity, as President, to participate in UNCTAD's ongoing work during that period, and he hoped that the situation could be remedied to enable his successors to contribute, between sessions of the Board, to the attainment of UNCTAD's objectives. The Board might have an opportunity to take a decision to that effect when it took up the question of rationalization of the permanent machinery of UNCTAD.

PROCEDURAL MATTERS (item 1 of the provisional agenda)

(a) ELECTION OF OFFICERS

Election of the President

2. The PRESIDENT invited the Board, in accordance with rule 18, as amended, of its rules of procedure, to elect the President of the twenty-second session from among the representatives of the States listed in part B of the annex to General Assembly resolution 1995 (XIX), in accordance with the rotation provided for in rule 19, paragraph 2, of the rules of procedure and annex I to those rules.

3. Mr. IWABAYASHI (Japan), on behalf of Group B, nominated Mr. Marshall (United Kingdom) for the office of President.

4. Mr. GARCIA REYNOSO (Mexico), on behalf of the Group of 77, and Mr. IRUSA (Czechoslovakia), on behalf of Group D, supported the nomination.

5. Mr. Marshall (United Kingdom) was elected President by acclamation and took the Chair.

6. The PRESIDENT said that the connection he had had with UNCTAD during the 15 years since he had first participated in one of its meetings afforded an opportunity for assessment of the organization's contribution not only to the work of the United Nations but to thinking about the problems of developing countries and the position of those countries in the world economy. That contribution had been a decisive one and he was convinced that UNCTAD had a significant contribution to make in the future. Paradoxically, the difficulties encountered in defining UNCTAD's role in the 1980s sprang, to some extent, from its past achievements. It had alerted the United Nations system to a wide range of problems and had perhaps encouraged the General Assembly itself to take a greater hand in economic affairs.

7. There were three significant changes in the situation facing UNCTAD in 1981 compared with the position in 1964. Firstly, the world economic situation was now considerably more troubled. Secondly, and connected with that phenomenon, there was not now such a broad consensus on the role of government and of governments in economic management. Thirdly, and possibly most significantly, there had been an important change in the nature of thinking about development. In the past there had been a tendency to assume that the development process was relatively homogeneous and that it was possible to concentrate on the nature of the external environment

in which that process took place, on the basis of somewhat simplified assumptions regarding concepts such as "the stages of economic growth". In fact the development process was seen as something far more complicated. The international development co-operation effort had to be more closely geared to actual national circumstances if it was to achieve results. The International Development Strategy for the Third United Nations Development Decade was the fruit of the collective experience which had been gained.

9. UNCTAD had, over the years, slowly interpreted the word "trade" comprehensively, as the external economic environment in all its facets, even co-operation among developing countries. On the other hand, over the years, in the perception of the term "development", wide gaps have to be examined more closely in the future. There were significant barriers, however, to the transition from the relevant work done largely by them. Firstly, there was the economic crisis, which had been primed on individual and collective self-reliance of developing countries on the implications of that crisis for the external economic environment of the development process. Secondly, there was the attention being given to economic co-operation among developing countries, involving important questions of concepts and principles which it would be necessary to settle to mutual satisfaction. Thirdly, there was the work being done with regard to the least developed countries, which was the subject of a special session to be held in September 1981. Lastly, there was the work to be done following the adoption of the new International Development Strategy.

10. The accomplishment of such a far-reaching task would be a challenge rather than a disappointment. It suggested that the Board should address itself in three levels. Firstly, with respect to substance, the Board had a number of important questions to ask during the progress of work which were still remaining to be done. In that connection, he looked forward to hearing the statement the Secretary-General of UNCTAD was to make that afternoon.

11. Secondly, with respect to the Board's approach to its work, he suggested that the attempt to make the organization more efficient even under the heading of "rationalization", which might ensure the thrift, the work was simply not being done as efficiently as it should be, and it must be done better. The most important thing, perhaps, was to achieve greater effectiveness of discussion and a greater reading of views. While group statements and positions were valuable in the negotiation of specific texts, they led their limitations when it came to resolving difficult problems where a collective approach and collective analysis were required. UNCTAD was an important part of the fabric of international consultation and it was important to keep that fabric in good repair. He hoped that it would be possible to complete at the present session the useful work done at the preceding session of the Board to revise its rules of procedure.

12. Thirdly, at the dividing between the fifth and sixth sessions of the Conference, it was not too early to start thinking about what the aims of the sixth session should be. That session would be crucial for the future of the organization at the present uncertain time in the history of the United Nations and in international economic negotiations.

Election of the Rapporteur

12. The PRESIDENT invited nominations for the office of Rapporteur, pointing out that, under the established cycle of rotation, the Rapporteur should be the representative of one of the States listed in part C of the annex to General Assembly resolution 1995 (XIX).

13. Mr. GARCIA REYNOSO (Mexico), on behalf of the Group of 77, nominated Mr. Barros-Orsiro (Uruguay) for the office of Rapporteur.

14. Mr. KOBAYASHI (Japan), on behalf of Group B, and Mr. PROSA (Czechoslovakia), on behalf of Group D, supported the nomination.

15. Mr. Barros-Orsiro (Uruguay) was elected Rapporteur by acclamation.

The meeting rose at [illegible] p.m.

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 546th MEETING

held at the Palais des Nations, Geneva,
on Monday, 9 March 1981, at 4 p.m.

Chairman: Mr. MARSHALL (United Kingdom)

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Procedural matters (item 1 of the provisional agenda) (continued)

(a) Election of officers (continued)

(b) Adoption of the agenda and organization of the work of the session

Institutional, organizational, administrative and related matters (agenda item 10)

(b) Announcement of any changes in the membership of the Board and election to membership of main Committees

Statement by the Secretary-General of UNCTAD

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GE.81-51145

The meeting opened at 3.45 p.m.

PROCEDURAL MATTERS (item 1 of the provisional agenda) (continued)

(a) ELECTION OF OFFICERS (continued)

Election of Vice-Chairmen

1. Mr. KOBAYASHI (Japan), on behalf of Group B, nominated Mr. Klinkenbergh (Netherlands), Mr. Otheim (Norway) and Mr. Bussel (Israel).

2. Mr. GARCIA ROBLES (Mexico), on behalf of the Group of 77, nominated Mr. Chagula (United Republic of Tanzania), Mr. Birido (Sudan) and Mr. Bruce (Chile).

3. Mr. PRUSA (Czechoslovakia), on behalf of Group D, nominated Mr. Gyorgy (Hungary).

4. Mr. Klinkenbergh (Netherlands), Mr. Otheim (Norway), Mr. Bussel (Israel), Mr. Chagula (United Republic of Tanzania), Mr. Birido (Sudan), Mr. Bruce (Chile) and Mr. Gyorgy (Hungary) were elected Vice-Chairmen by acclamation.

5. The PRESIDENT said that the remaining three of the ten Vice-Chairmen would be elected at a later meeting.

(b) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/932 and Add.1)

6. The PRESIDENT proposed that the Board should adopt the provisional agenda as approved at the twenty-first session, together with the sub-headings which had been added to item 6 in consultation with the regional group co-ordinators.

7. It was so decided.

8. The PRESIDENT drew the attention of the Board to the secretariat's suggestions on the establishment of a sessional committee to consider agenda items 7 and 8 which would set up a Chairman's Contact Group to which the Board might refer certain items in order to expedite its work. In the absence of objection, he would take it that the Board accepted the suggestions of the secretariat.

9. It was so decided.

10. The PRESIDENT said that the remaining agenda items would be considered by the Board in plenary meetings. He invited the Board to agree to the suggestion that a Contact Group of the President should be established to which the Board would refer certain items or sub-items and which would consider in particular the question of protections and structural adjustment (Conference resolution 131 (V)). The Contact Group would, as at previous sessions, consist of 10 members, nine from the Group of 77, six from Group B, three from Group D, and China, but would be open-ended. It would set up a sub-group to continue the consideration of item 7 - rationalization of the permanent machinery of UNCTAD.

11. It was so decided.

12. The PRESIDENT said he took it that the Board approved, as a whole, the suggestions of the secretariat concerning the organization of work, the tentative meeting time-table and the time-limit for the conclusion of proposals.

13. It was so decided.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 10)

(a) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD AND ELECTION TO MEMBERSHIP OF MAIN COMMITTEES

14. The PRESIDENT reminded the Board that States already members of the main Committees were not required to confirm that they wished to remain members. He suggested that any changes should be notified in writing by 6 p.m. on Monday, 16 March.

15. It was so decided.

STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

16. Mr. COREA (Secretary-General of UNCTAD) made a statement. _/

17. Mr. GARCIA ROBLES (Mexico), speaking on behalf of the Group of 77, said that the ideas expressed and the proposals made by the Secretary-General of UNCTAD in his statement might be a useful guide for the work of the session. He proposed that the statement should be circulated in all the working languages as an official document of the Board.

18. Mr. ITURRALDE (Secretary of the Board), indicating the financial implications of that proposal in accordance with General Assembly resolution 2292 (XXII), said that the cost involved was estimated at [illegible].

19. The proposal that the statement by the Secretary-General of UNCTAD should be circulated as a document was adopted.

The meeting rose at [illegible] p.m.

_/ The full text of the statement by the Secretary-General of UNCTAD will be circulated under the symbol TD/B/C.1/[illegible].

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 547th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 10 March 1981, at 3 p.m.

President: Mr. MARSHALL (United Kingdom)

CONTENTS

Procedural matters (continued)

(a) Election of officers (continued)

General statements

Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries

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GE.81-51173

The meeting was called to order at 3.05 p.m.

PROCEDURAL MATTERS (agenda item 1) (continued)

(c) ELECTION OF OFFICERS (continued)

Election of Vice-Presidents

1. Mr. DIAZ CRUZ (Mexico), on behalf of the Group of 77, supported by Mr. Dabbagh (Kuwait) and Mr. Khasru (Bangladesh).

2. Mr. PROCH (Czechoslovakia), on behalf of Group B, supported by Mr. Kearney (UNDP).

3. Mr. Dabbagh (Kuwait), Mr. Khasru (Bangladesh) and Mr. Proch (Czechoslovakia) were elected Vice-Presidents by acclamation.

GENERAL STATEMENTS

4. Mr. KOBAYASHI (Japan), speaking, on behalf of Group B, said that, as projections published in December 1978, the Organisation for Economic Co-operation and Development (OECD) had forecast that the continued fight against inflation in the years 1979/1980 and the tight fiscal and monetary policies which the countries members of OECD considered indispensable for overcoming inflationary pressures and establishing a sound economic base for the future would have cost GDP in the area about 0.5 per cent lower than it would otherwise have been. It had been anticipated that the economies of those countries, led by private consumption, would make a recovery to reach an annual growth rate of about 3 per cent by mid-1980. While inflation had appeared likely to slow down, unemployment had been expected to rise sharply in virtually every country, to reach nearly 7 per cent of the OECD labour force.

5. At the time of their calculation, those forecasts had been considered optimistic, and the facts confirmed that it had been necessary to adopt stricter policies than had been foreseen, that unemployment was expected to rise more steeply practically throughout the area and that, although inflation would slow down, consumer prices were likely to grow at a rate of about 9 per cent in 1980.

6. The Group B countries were fully aware that that situation was likely, in the short term, to aggravate the difficult problems faced by many developing countries in their current account operations. Group B reaffirmed that it would continue to seek to create the necessary conditions for ensuring a rapid resumption of over-all economic growth in the general interest.

7. The problems of protectionism and structural adjustment were among the most important questions on the agenda. Sessional Committee III, established at the twenty-first session of the Board, had failed to produce an agreed framework to give effect to Conference resolution 131 (V), but it had narrowed the gap between the differing views of the regional groups while more clearly identifying the points of divergence. The Group B countries were prepared to engage in a further exchange of views at the present session in the hope of reaching agreement on UNCTAD's future work in that field and on arrangements to enable substantive questions to be tackled without further delay. The thoughts expressed by the Secretary-General of UNCTAD in his opening statement deserved thorough consideration on the part of all concerned.

26. The Group of 77 hoped that the Secretary-General of UNCTAD would take the necessary steps to implement Board decision 142 (XVI) and to convene a meeting of governmental experts to study problems of interdependence in international trade and monetary and financial questions, and that he would hold consultations on the subject.

27. The Group of 77 regretted that no progress had been made in the Board's work on Conference resolution 131 (V) on protectionism and structural adjustments. Restrictions on the exports of developing countries in sectors which were of importance to them and in which they enjoyed comparative advantage had been strengthened. Such restrictions had been intensified despite the repeated declarations of developed countries and of countries members of GATT which, in June 1984, had reaffirmed their determination to lift trade restrictions.

28. In the opinion of the Group of 77, the way to the solution of the problems of protectionism lay through the solution of structural problems, from which they originated. The industrialized countries themselves had recognized that problems of protectionism were closely linked with questions of structural adjustment. There was thus a convergence of views between developed and developing countries on important points, which should facilitate a constructive dialogue leading to agreement at the present session on machinery and methods for implementing Conference resolution 131 (V).

29. The Governments and United Nations Bodies concerned would have time at the present session to examine the studies submitted by the UNCTAD secretariat in accordance with operative paragraph 27 of Conference resolution 131 (V), with a view to convening meetings of experts in the sectors mentioned in draft resolution TD/B/C.6/L.30/Rev.1, referred to the Board by the Committee on Transfer of Technology.

30. The Group of 77 attached the greatest importance to its draft resolution TD/B/C.6/L.26 referred to the Board by the Committee on Transfer of Technology, as it believed that text would contribute to the implementation of a large number of recommendations on the technological transformation of the developing countries which had been endorsed by the Conference at its fifth session.

31. With regard to the rationalization of the permanent machinery of UNCTAD, the Group of 77 hoped that the negotiations on that subject would be concluded at the present session. The problem was not confined to material aspects, such as reduction of the length of meetings and control of documentation; it was also concerned with determining how UNCTAD could increase its effectiveness, as an instrument of the General Assembly, in seeking solutions to the many substantive problems within its mandate in the context of the new international economic order.

32. With regard to agenda item 8(a) relating to commodity trade and to the Integrated Programme for Commodities, both the Secretary-General of UNCTAD and the Group of 77 had at the preceding session, expressed doubts regarding the effectiveness of the Common Fund, whose functioning was dependent on the existence of a considerable number of commodity agreements. That condition, however, had not yet been fulfilled, because the developed countries had not only remained intransigent in the negotiation of new agreements or review of existing ones, but had even hardened their position in the negotiation of arrangements to ensure the stability of commodity prices. The Group of 77 hoped that the developed countries would alter their attitude.

economic and trade development of the developing countries and had further aggravated their economic difficulties and their indebtedness. The position of the least developed countries was even worse and the gap between them and the rich countries was accelerating widening. That state of affairs could not but cause serious concern in the international community.

40. There were many deep-rooted causes for the disorder and deterioration in the world economy, but the most important ones lay in the existing inequitable and unreasonable international relations. There was an objective and urgent need for transformation of the existing international economic structure. Although a number of developed countries and certain far-sighted personalities in the developed world maintained a dialogue with the developing countries, there were still a few developed countries which were doing their best to preserve the old international economic relations. Some countries had even repeatedly declared that they would refuse to undertake any liabilities. The Chinese delegation considered that UNCTAD should take practical and effective action to improve international economic relations and that all countries - developed and developing - should make a useful contribution in promoting global negotiations.

41. Everybody was aware that the world economic situation was closely linked with the political situation in the world. For the economies of the developing countries to develop speedily and for the world economy to revive and prosper a peaceful and tranquil international environment was required. It was also necessary to combat aggression, expansion, hegemony and control and occupation by superpowers.

42. Protectionism in international trade was now rife and was directly affecting the export of manufactures and of certain agricultural products. Many of the restrictive measures were directed at the developing countries. The latter had requested the developed countries to reduce their tariff and non-tariff barriers and to liberalize the entry of their exports so as to create the necessary conditions for an acceleration of their industrialization. Those demands were reasonable. In accordance with Conference resolution 131 (V), the Group of 77 had requested the preparation of a time-bound programme for phasing out all barriers to trade affecting imports from developing countries and of programmes of action for structural adjustment in specific promotion sectors, as well as measures to monitor and evaluate the action taken in that regard. Since no progress had been made in that respect at the preceding session of the Council, efforts in that direction should continue.

43. Despite such achievements as the Geneva Plan of Action, the Convention on International Multimodal Transport of Goods and the set of multilaterally agreed equitable principles and rules for the control of Restrictive Business Practices, very little progress had been made towards the establishment of a new international economic order and negotiations on individual commodities were marking time. The Chinese delegation hoped that the forthcoming session of the Conference would be able to complete the work on the formulation of an International Code of Conduct for the Transfer of Technology. It supported the efforts to strengthen UNCTAD's mandate and to rationalize its permanent machinery so that the organization could play an even more important role in the establishment of a new international economic order.

44. China was a developing socialist country with a relatively low level of economic development. It was at present in the process of adjusting its national economy in accordance with a policy based on a harmonious balance of the various sectors and laying primary stress on national effort. It was convinced that, in implementing its policy of "readjustment, restructuring, consolidation and improvement", it would maintain a continuous, steady economic development.

45. The Chinese delegation would join all the other delegations in the search for a solution to the problems of North-South relations and in efforts to promote the establishment of a new international economic order.

46. Mr. KRASNOV (Union of Soviet Socialist Republics) said that the twenty-second session of the Board immediately coincided with an unusual world economic situation, marked by an active campaign on the part of the advocates of cold war to revert to a policy of use of force and pressure and to jeopardize détente. International economic co-operation was inevitably greatly affected. The developments which had occurred since the fifth session of the Conference and the twenty-first session of the Board bore witness to the worsening of these negative trends. The capitalist economy had been upset by profound cyclic movements and by structural crises in a number of sectors such as energy and raw materials. Inflation was rising as a result of increased military expenditure. The number of unemployed was growing continuously and the monetary crisis was worsening steadily. Trading partners were therefore increasingly endeavouring to solve their marketing problems at the expense of others and, in that respect, the Soviet Union agreed with the analysis of the international economic situation made by the Secretary-General of UNCTAD in his opening statement. The economic crisis of the industrialized capitalist countries had had an impact on the economy of the developing countries, and on that of other countries as well. In the Soviet Union, for example, the solution of economic problems had been complicated by certain external factors such as the deterioration of the international economic situation, the escalation of prices and the slowing down of disarmament. The problems of economic and trade co-operation with which several speakers had been concerned were becoming more acute, and more urgent as a result.

47. One of the main subjects of concern in the area of international trade was the re-emergence of protectionism in many developed market economy countries. The USSR and the other Group B countries had stated their position in principle on that subject in their joint declaration submitted at the twenty-first session of the Board (TD/B/L.). Some of their proposals had been incorporated in resolution 171 (V) but it was regrettable to note that nothing had since been done to stop the rise of protectionism and that the recommendations by the international market economy countries had remained a dead letter. Protectionist measures were being taken in respect of an increasingly large number of products, now being applied in a selective manner and more often restrictive in economic blackmail. Economic relations were being used as a means of exerting pressure on other countries and there had even been some attempts at economic boycott. The Soviet Union and the other socialist countries accordingly attached the greatest importance to UNCTAD's efforts to combat protectionism. The recent deterioration in the situation called for new initiatives. In that respect, the role to be played by UNCTAD in protectionist and structural adjustment (TD/B/[illegible]) was important. Both through studies which it carried out and a current inventory which it made of the whole arsenal of protectionist measures, UNCTAD's action should be closely linked with the question of structural adjustment and measures aimed at establishing more strict control of transnational corporations. Moreover,

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UNCTAD could be successful in combating protectionism only if it conducted the struggle at all levels of the interdependent flows of international trade and, as the Secretary-General of UNCTAD had rightly mentioned, in the interest of all groups of countries.

48. With regard to the agreements which had emerged from the Multilateral Trade Negotiations, there was no very clear indication of the benefits they would bring for trade co-operation; negative effects were known to be found in some cases, and the question should therefore be kept on the Board's agenda.

49. The USSR viewed the future with optimism because of the success - both concrete achievements - of the Tenth Five-Year Plan of economic development which had just been completed. Yet all the goals had not been attained and substantial progress had been made, in particular with regard to foreign trade and to the strengthening of socialist integration in the framework of the Council for Mutual Economic Assistance. In particular, the USSR had strengthened its economic and trade relations with the developing countries and had steadfastly defended the right of those countries to control their natural resources. The idea that the economic development of the socialist countries was a payment for, and that the principles governing their relations with foreign countries were radically different, had a beneficial stabilizing effect on the economies of the developing countries and on the world economy as a whole. The USSR had strengthened its economic, trade, scientific and technical co-operation with the industrialized capitalist countries which were interested in that form of co-operation and its trade with those countries had more than doubled between 1971 and 1975. The results might have been generally better if certain Western countries had not been taking discriminatory measures, and resorting to the trade war as a political weapon. UNCTAD should actively promote co-operation in the development of international economic and trade relations.

50. The USSR was particularly interested in the coming forty-year Medium-Term Plan and the Programme Budget and hoped that, at the next session if that body, adequate resources would be released for the priority fields of activity of UNCTAD, in particular co-operation between countries with different economic and social systems. In that connection, it reaffirmed its wish to strengthen UNCTAD's authority, universality and means of action, and it expressed the hope that the work on rationalization of the organization's permanent machinery would be speedily brought to a successful conclusion.

51. The USSR's new development programme for the 1980s provided for a sustained growth of the economy and should make it possible to strengthen economic, trade, scientific and technical relations with the other socialist countries, with the developing countries - which the USSR would continue to assist in order to strengthen their economic independence - and with those capitalist countries which were prepared to establish mutually beneficial co-operation based on justice and equal rights.

52. The USSR would continue to participate in the solution of international problems in all fields, including raw materials, energy, food and the environment. It supported the proposal of the developing countries that global negotiations on the world economic situation should be held within the United Nations - a proposal which was still encountering the opposition of the imperialist powers which did not wish to renounce their privileges and intended to maintain the developing countries in a state of dependence.

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TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE NINETY-EIGHTH MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 11 March 1971, at 3 p.m.

President: Mr. MARSHALL (United Kingdom)

CONTENTS

Implementation of Trade and Development Board resolution 165 (S-IX) on the trade and development problems of developing countries (agenda item 5) (continued)

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offered by the diversity of licencing procedures to establish a kind of automatic licensing system whereby various articles were designated as being liable, at any time, to quota restriction and the list of products subject to restriction could be supplemented by articles previously given liberalized treatment. The difficulties of Czechoslovak exporters were compounded by the fact that quotas for the coming year were announced very late. Moreover, several Western countries were now denouncing the "self-regulation" or voluntary restriction of exports and applying import price controls.

6. In his delegation's view, UNCTAD should take action to deal with the serious problem of the protectionism practised by Western countries. The socialist countries were ready to help in the search for a solution, as at the fifth session of the Conference, when they had submitted a draft resolution on protectionism, in the interests of all the countries, developing and socialist, affected by it.

The meeting rose at 1.20 p.m.

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TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 549th MEETING

Held at the Palais des Nations, Geneva,
on Monday, 16 March 1981, at 11 a.m.

President: Mr. TARNOFF (United Kingdom)

CONTENTS

General statements (continued)

Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries

Sixth session of the United Nations Conference on Trade and Development: place, date and duration

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GE.81-51350

The meeting was called to order at 3.4 p.m.

GENERAL STATEMENTS (continued)

1. Mr. PEUT (Czechoslovakia) said that the industrially-developed capitalist States continued to be a focus of economic disturbance. Since the fifth session of the Conference and the twenty-first session of the Board, those countries had suffered further cyclical crises in production, together with unchecked inflation, increased unemployment and a considerable deceleration in the growth of foreign trade. The acute nature of those phenomena in the industrially-developed capitalist countries had a considerable influence on the economies of other countries and further complicated the efforts of developing countries to build up their economies and raise the living standards of their people. The developed capitalist countries were seeking a way out of their economic difficulties with no regard for the economic interests of other countries, thus destabilizing the development of international economic co-operation and undermining the successful efforts made in that direction. International economic co-operation was also being jeopardized by the arms race. There was an urgent need to enhance UNCTAD's role in dealing with such problems.

2. He drew particular attention to the question of protectionism, the importance of which had been emphasized by the socialist countries of Group D on numerous occasions. Protectionist measures had been intensified in recent years. They had assumed new forms and were being applied by new methods which were impeding the normal development of international trade and worked against the interests of the developing countries in particular. A number of such measures contravened agreements or treaties. It had rightly been brought to the attention of the Committee on Manufactures at its ninth session that the restrictions on products from developing countries and socialist countries which were being applied by the market economy countries would have a detrimental effect on exports. UNCTAD's role in combating the further use of such measures in international trade should be strengthened, and the appropriate UNCTAD forums should consider the problem of least once a year, in accordance with the relevant resolutions and decisions.

3. The growing crisis in the capitalist world and the industrial development policies of the capitalist countries were adversely affecting the financial position of most developing countries, whose growing debt burden was slowing down the pace of their development. On the question of the debt position of those countries the Group D countries maintained the position they had indicated at the ninth session of the Board. The problem could be solved by restructuring international economic relations on a basis of justice and democracy and by eliminating the last vestiges of colonialism and neo-colonialism.

4. The financial co-operation of the socialist countries with developing countries was carried out on socialist economic bases, which differed from the relations of the capitalist countries with developing countries. Economic and technical co-operation was applied by the socialist countries in the interest of growth of the productive capacity of developing countries, improved utilization of their natural resources and creation of the necessary infrastructure. It was carried out through inter-governmental agreements, which made it possible to settle problems to mutual benefit, to consider debt relief possibilities and to take into account the particular circumstances of the developing countries concerned. The socialist countries intended to continue their co-operation in that direction.

8. His delegation welcomed the report by the Secretary-General of UNCTAD on the implementation of section A of Board resolution 165 (S-IX). That report indicated that several developed donor countries had excluded some least developed countries from their programmes of debt cancellation. The reluctance of certain developed countries to comply with UNCTAD decisions was evident that they had never had any real intention of abandoning the privileged relationship enjoyed by them by the existing system. Ethiopia greatly appreciated, however, the measures which had been taken towards it by the Governments of Italy, Sweden, Japan and especially Finland, which, in addition to implementing resolution 165 (S-IX), had extended its coverage to other development credits. His delegation regretted the discriminatory measures taken by some Group B countries against Ethiopia and reiterated his Government's appeal to the developed countries concerned to cancel Ethiopia's indebtedness to them. The proposal of bilateral negotiations in that connection was unacceptable to Ethiopia as it was contrary to the Board's agreed objective.

9. In conclusion, he asked the Board to decide to keep the implementation of its resolutions 165 (S-IX) and 222 (XXI) under review and to include the subject in the agenda for its twenty-third session as a priority item. He considered that the Secretary-General of UNCTAD should be requested to submit for that session an assessment of measures taken by developed countries, together with his conclusions and recommendations for appropriate action.

SIXTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: PLACE, DATE AND DURATION (agenda item 6) (TD/B/943, TD/B/944)

10. The PRESIDENT said that the General Assembly, in paragraph 7 of its resolution 34/196, had requested the Board at its twenty-first session to recommend the date, place and duration of the sixth session of the Conference, bearing in mind the offer made in that regard by the Government of Cuba. At its twenty-first session, the Board had decided to defer making a recommendation until its twenty-second session, stating that in making its recommendation the Board would take into account the offer made by Cuba during its tenth special session to host the Conference, which offer had been reiterated at the fifth session of the Conference. In that connection, he drew the Board's attention to documents TD/B/943 and TD/L/244 which had been circulated at the request of the Governments of Cuba and of the United States of America, respectively.

11. Mr. VIERA LINARES (Cuba) said that he represented a country which was a founding member of the United Nations and as such had full rights to vote, hold office and host meetings. Since 1959, its people had been deciding their own destiny, free of neo-colonialist tutelage. The Cuban Government was devoted to the cause of eliminating the scourge of war and promoting human rights and social and economic progress. It also believed in the sovereign equality of all States, great and small, and in international co-operation to solve the major problems of mankind. For that reason, it was resolved to play an increasingly active part in the work of the United Nations and in that spirit it had, at the fifth session of the Conference, offered the city of Havana as the venue for the Conference's sixth session.

12. As was recognized in document TD/B/943, Cuba possessed adequate facilities in the way of conference buildings, hotels and communications to host that session and it was ready to supplement its present facilities with additional meeting rooms and offices for the Conference secretariat. It was also prepared to cover the additional expenses UNCTAD would incur by holding the sixth session of the Conference

19. Mrs. BELLILI-TECHIN (Algeria) said that her delegation had noted that there should be discussion of a country's offer to act as host for a session. Such a discussion had never occurred in respect of previous UNCTAD meetings held, in fact, even, refusal of an invitation constitutes the worst possible offence. She hoped that, as a result of consultations, the Board, as the decision-making body, would be able to find a solution without yielding to blackmail from any quarter. UNCTAD had hosted many important conferences, which Algeria had always been glad to attend.

17. Mr. ZEWDIE (Ethiopia) said that since the Group of 77, at its Arusha meeting, had noted with satisfaction the Cuban Government's invitation to host the sixth session of the Conference, the matter had come up at the fifth session of the Conference and at the tenth special and twenty-first sessions of the Board. Furthermore, document TD/B/843 contained a positive report from the mission sent to Cuba to investigate the facilities available there. It seemed that the Board had before it all the necessary information to reach a decision and he urged that no difficulties should be put in the way of its being so.

18. Mr. PUHOVA (Czechoslovakia), speaking on behalf of Group D, said that the group supported the proposal that the sixth session of the Conference should be held in Havana. The Cuban Government's invitation had been welcomed by the majority of member countries, including those of Group D and of the Group of 77. The situation had been reflected in Conference resolution 107 (V) and in General Assembly resolution 34/196. As could be seen from document TD/B/843, all the necessary requirements for holding the sixth session of the Conference in Havana were met. Group D wished to thank the Government of Cuba for its invitation, and it saw nothing to prevent the Board from taking a decision on the matter at the present session.

19. Mr. SAKER (Syrian Arab Republic) said that his delegation, too, was surprised that the choice of venue for the sixth session of the Conference should be the subject of discussion in the Board. It was of the opinion that Cuba met all the necessary conditions for acting as host to the Conference. The Group of 77 had met in Havana, and Cuba had demonstrated its ability to host large conferences. The Syrian delegation would therefore be honoured to attend the sixth session of the Conference in that country.

20. Mr. YU Peiyan (China) said that his delegation attached importance to the choice of venue for the sixth session of the Conference. Careful consideration should be given to that question in order to ensure the success of that session.

21. UNCTAD was the major economic and trade forum of the United Nations and had the important mandate of holding negotiations. It should therefore encourage developed and developing countries alike to participate in discussions of the problems of international trade and development with a view to reaching solutions through common efforts. The choice of venue for the sixth session therefore assumed considerable importance and the difficulties that various parties might encounter could not be overlooked. If those difficulties could not be eliminated and all members of UNCTAD could not participate in the session, the result would be a lack of universality and the progress of negotiations would be difficult to ensure. Such a possibility might, moreover, have negative effects on the future of UNCTAD.

22. His delegation therefore appealed to all the members of the Board to bear in mind the general interests of UNCTAD and to select, through full consultations or by consensus, a venue acceptable to all concerned.

25. Mr. ERDENECHIMEG (Mongolia) said that, in his opinion, there was no point in holding lengthy discussions under agenda item 5 or in introducing political considerations. The representative of Cuba had stated that his country had offered to act as host to the Conference at the ninth session. The Mongolian delegation therefore appealed to all members of the Board not to be prepared to go on to accept that invitation.

26. Mr. MACNEILL (Canada) said that, although his Government was of the opinion that every member of the Board was, in accordance with normal United Nations practice, entitled to offer to act as host to the ninth session of the Conference, it was concerned because the offer made by Cuba had given rise to considerations that might hamper the success of the Conference, which played a very important role as a forum for the North-South dialogue. It was sure that all the regional groups, which were entitled to the outcome of that dialogue, recognized the importance of avoiding action at the present session of the Board which might hamper the prospects for a successful Conference session in 1979. His delegation therefore associated itself with the view that a decision on the place where the ninth session of the Conference was to be held should be taken by consensus and that the Board should continue to reflect on the matter. The President of the Board and the Secretary-General of UNCTAD might use their good offices to ensure that a satisfactory solution was reached by consensus.

27. Mr. THORN (Norway) said that the situation which had developed as a result of the discussion of agenda item 5 at the present meeting had rightly given rise to concern. In that connection, he drew attention to the essential role played by UNCTAD in the North-South dialogue and to the importance of reaching by consensus a decision on the venue for the ninth session of the Conference. He therefore appealed to all members of the Board to continue their consultations on the question.

28. Mr. KOSAYASHI (Japan) said that his delegation shared the view that the discussion which had taken place under agenda item 5 was unusual and somewhat unfortunate, particularly since it related to an important issue and since Conference resolution 107 (V) had been adopted by consensus. He had, moreover, been given to understand that the Government of Cuba was concerned more about the success of the ninth session of the Conference than about the place where it was to be held. That was certainly the right approach. He therefore suggested that further consultations should be held with a view to reaching a consensus of views on the issue.

29. The PRESIDENT said it was quite clear that the Board had not completed its discussion of agenda item 5 and that it was now its responsibility to guide the work of the Board so that it might produce the desired results. He would therefore seek the views of delegations on the matter. In the meantime, he suggested that the Board might leave the question aside and revert to it at a later meeting.

The meeting rose at 1.20 p.m.

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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 550th MEETING

held at the Palais des Nations, Geneva
on Tuesday, 17 March 1981, at 3 p.m.

President: Mr. MARSHALL (United Kingdom)

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Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations (continued)

Interdependence of problems of trade, development finance and the international monetary system (continued)

Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries (continued)

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Institutional, organizational, administrative and related matters:

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(c) Designation of intergovernmental bodies for the purposes of rule 78 of the rules of procedure

(d) Designation and classification of non-governmental organizations for the purposes of rule 79 of the rules of procedure

Sixth session of the United Nations Conference on Trade and Development: place, date and duration (continued)

Progress in the implementation of specific action related to the particular needs and problems of island developing countries

5. The protectionism practised by a number of developed market-economy countries, above all in western Europe, where safeguard clauses and anti-dumping procedures were current practice, and because it periodically caused problems, there was increasing frequent, and in many cases arbitrary, application of protectionist measures. His country would support the developing countries in their efforts to eliminate any discrimination and protectionism in the interests of all countries concerned. The establishment of effective control over the activities of transnational corporations had an important part to play in those efforts. Close attention should be paid to all these questions in UNCTAD.

6. In his statement at the eleventh special session of the United Nations General Assembly, the Minister for Foreign Affairs of the German Democratic Republic had stressed the need for a democratic restructuring of international economic relations. The German Democratic Republic, as a socialist State, had always advocated the establishment of just and democratic international economic relations. In its commercial and economic relations with developing countries, it was guided by the democratic principles on which the justified demands for a new international economic order were based. According to its possibilities, it contributed to the implementation of the decisions taken by the United Nations General Assembly at its sixth special session and the provisions of the Charter of the economic rights and duties of States.

7. The international trade policy of the German Democratic Republic was founded on a high overall performance, even in 1981. Trade and economic relations with developing countries included about 150 agreements on scientific and technological co-operation and trade agreements, all based on the principles of equal rights, non-discrimination and mutual advantage. The share of manufactures and semi-manufactures in the German Democratic Republic's total imports from developing countries had been increasing constantly in recent years and the German Democratic Republic's exports to developing countries had increased by 26 per cent in 1981.

8. The German Democratic Republic was anxious to provide an even broader basis for peaceful coexistence between States with different social systems, and, as a result of persistent efforts, had concluded trade agreements or agreements on economic, scientific and technological co-operation with almost all industrialized market-economy countries.

9. His delegation hoped that the Board would play its part in maintaining and enlarging peaceful co-operation in the economic field among all States, especially as international co-operation and trade were not only an instrument for economic development but also an essential means for strengthening international security.

10. Mr. MEYER (Council for Mutual Economic Assistance), speaking at the invitation of the President, said that the current economic crisis was unquestionably hampering international economic relations. The year 1981 would see the tenth anniversary of the adoption by the States members of the Council for Mutual Economic Assistance (CMEA) of a programme for the extension of mutual co-operation on the basis of socialist integration. It was a comprehensive practical programme of co-operation founded on respect for each country's sovereignty and designed mainly to boost each member country's production. In only ten years, very considerable progress had been

achieved, particularly in industrial development in Cuba, Mongolia and Viet Nam, in trade between member countries and in the improvement of national economic structures. Co-operation in the CMEA countries with various forms, including the co-ordination of the national five-year plans. A multilateral plan of integrated measures had been implemented for the period 1976-1980, and would be followed by a new multilateral plan for 1981-1985, accompanied by bilateral and multilateral agreements.

11. Co-operation in the sphere of energy and fuels was of prime importance; an notable project in that field was the construction of the 2,750-km "Soyuz" gas pipeline, which would enable the Soviet Union to supply the East European socialist countries participating in it. The promotion of socialist economic integration was an important component of the co-operation programme established by CMEA.

12. The States members of CMEA furnished considerable assistance, mainly in the fields of natural resources, transport and agriculture, to the developing countries to enable them to achieve economic independence, and supported their efforts to establish a new international economic order.

13. The capitalist economic crisis had led, in the market-economy countries, to the application of an ever-increasing number of protectionist measures, which hurt the member countries of CMEA, block the developing countries, and hindered their participation in the international division of labour.

14. In conclusion, he expressed the hope that greater success in international economic relations and in the International Year of Peace, to which the States members of CMEA were willing to contribute in co-operation with all other States, hinged on the creation of a climate of peace and détente, reductions in expenditure on and stocks of arms and the cessation of the arms race.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 10)

(a) APPOINTMENT OF ANY COMMITTEE OF THE WHOLE OF THE BOARD AND ELECTION OF CHAIRMEN OF THE MAIN COMMITTEES

15. The PRESIDENT named the countries which had applied to become members of the main committees and proposed that the Board should confirm the membership of the main committees (TD/B/529, annex VII) as modified by the addition of the States he had just named.

16. It was so decided.

(c) DESIGNATION OF INTERGOVERNMENTAL BODIES FOR THE PURPOSES OF RULE 76 OF THE RULES OF PROCEDURE (TD/B/L.24 and Add.1 to 3)

17. The PRESIDENT invited the Board to take a decision on the applications submitted by the Ministerial Conference of East and Central African States on Maritime Transport, the Intergovernmental Committee for Migration and the Arab Monetary Fund. If there was no objection, he would take it that the Board approved the designation of those intergovernmental bodies for the purposes of rule 76 of the rules of procedure.

18. It was so decided.

(d) DESIGNATION AND CLASSIFICATION OF NON-GOVERNMENTAL ORGANIZATIONS FOR THE PURPOSES OF RULE 79 OF THE RULES OF PROCEDURE

19. The PRESIDENT said that there were no applications requiring consideration under that agenda item.

SIXTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: PLACE, DATE AND DURATION (agenda item 6) (TD/B/843; TD/B/888) (continued)

20. Mr. OMEIBI (Libyan Arab Jamahiriya) said that he was surprised that the choice of the place for the sixth session of the Conference gave rise to discussion. The choice ought normally to be made on the basis of a single criterion, namely the capacity of the country which had offered to act as host to the Conference to provide the services necessary for the smooth conduct of the work. His delegation considered that Cuba offered all the necessary guarantees in that regard. In those circumstances, it seemed nothing less than surprising that some delegations sought to impose other criteria for the choice, which would constitute a dangerous precedent for the future of UNCTAD in so far as the problem might recur in respect of future sessions.

21. Mr. BIXON (Australia) considered that such an important decision had to be taken by consensus. The sixth session of the Conference would be a very important phase in the North-South dialogue, and it would be unfortunate if its success was jeopardized by the absence of a consensus which was decisive for the future of UNCTAD.

22. Mr. EWERLÖF (Sweden) said that the Nordic countries, on behalf of which he was speaking, firmly believed that the debate should not be allowed to develop into a confrontation issue, which might have adverse effects on the future of UNCTAD. Since a consensus seemed impossible for the moment, the Nordic countries urged that the question should be deferred until the Board's next session so that, in the intervening period, a solution might be found through consultations between the interested parties, enabling the Board to decide by consensus.

23. Mr. O'NEILL (New Zealand) thought that the point at issue was not merely where the Conference's next session would be held. The problem was far more complex, and the decision might have important consequences, particularly for small countries like his own. It should therefore be settled in a constructive way; it seemed essential to reach a consensus, which would strengthen the principle of interdependence and promote the achievement of the objectives of UNCTAD and of the North-South dialogue.

24. Mr. SAID OSMAN (Somalia) said that the Cuban Government's offer to act as host to the sixth session of the Conference had elicited from many countries a hostile response that was unprecedented in UNCTAD's history. There were clearly profound divergences of view concerning the choice of Cuba as host country. Somalia, for its part, was utterly and flatly opposed to it. It would be extremely unfortunate if the sixth session was held in a country whose Government had antagonized many peace-loving and freedom-loving countries in Africa and Asia by entering the service of a Superpower which pursued an oppressive policy and whose designs might be described as hegemonistic, and even imperialistic. In those circumstances, a consensus seemed out of the question and it was to be hoped that Cuba would formally and unconditionally withdraw its offer to act as host to the Conference's next session.

25. Mr. ALLEN (Iraq) expressed surprise at the reasons advanced by those who sought to block the Cuban Government's proposal. In view of the role played by Cuba in the non-aligned movement, his delegation would like the sixth session of the Conference to be held at Havana.

26. Mr. de CARVALHO (Portugal) thought it was vital, in order to ensure the success of the sixth session of the Conference, for all member countries to take part in it. A location likely to be acceptable to all must therefore be selected. That was why he firmly hoped that it would be possible to reach a consensus.

27. Mr. CHAN (Singapore) noted that forecasts for the 1980s were pessimistic and that during that period there would be economic difficulties even more serious than during the previous decade. It was therefore important for UNCTAD to be able to continue to play its role, which consisted of helping to resolve economic problems, above all in the North-South dialogue. In order not to jeopardize the sixth session's chances of success and court a failure which would be harmful, particularly to the developing countries, it would be better for the choice of venue for the session to be acceptable to all. It now seemed that there would not be a consensus on Cuba's offer. In the circumstances, his delegation would be reluctant to participate in the sixth session were it to be held at Havana.

28. Mr. ZAFIMAHOVA (Madagascar) said that the fact that the issue of the place for the next session of the Conference had given rise to a debate constituted discrimination against a State Member of the United Nations. He believed that the best way of protecting UNCTAD's interests would be to hold the session in Cuba. If the Board decided otherwise, it would create an undesirable precedent and might jeopardize the future of UNCTAD. His delegation considered that Cuba fulfilled all the requirements for hosting the sixth session and could only commend the Cuban Government on the efforts which it had made and would continue to make and which were a guarantee that the work of the Conference could be conducted in suitable conditions.

29. Mr. PASQUIER-ARGUELLO (Nicaragua) said that his delegation accepted Cuba's offer to host the sixth session of the Conference. The attitude of those who were rejecting that offer was all the more extraordinary since the reasons they were giving did not even claim to be logical. They claimed that the choice of place was not an automatic one since, for the session to be successful, support from all the participants, or unanimity, was needed. In practice that argument amounted to declaring consensus as a means of agreement imperative, whereas that word meant precisely that it was not necessary to have unanimity when no objective reasons militated against the action proposed. Those who advocated further consideration were actually suggesting the arbitrary imposition of a requirement to justify the decision. In his delegation's opinion, it was more appropriate to think about the detrimental consequences that a precedent such as the refusal of the Cuban Government's offer would have for UNCTAD and similar organizations. It was surprising that the issue had given rise to a debate.

30. Mr. VIERA LEDUC (Cuba) said that he had pressed for a debate on agenda item 6 in order to bring into the open the pressure being exerted by the United States delegation on the other delegations. In its statement the previous evening, that delegation had, in fact, revealed the real motive for its opposition, which was nothing less than breaking off international dialogue in order to return to the cold war. In those circumstances, it was reasonable to ask whether the United States was really concerned with the interests of UNCTAD. Its attitude in

the international organizations suggested that it was not, for it tended invariably to paralyse important deliberations such as the global negotiations or the Conference on the Law of the Sea. Thus it was obvious that the impasse in economic co-operation was and had always been essentially attributable to the United States. In 1964 it had already opposed nine of the fifteen general principles voted by the Conference, in particular the first four: sovereignty of States, freedom to dispose of their natural resources, non-interference in the internal affairs of other States and freedom of trade.

31. Cuba was deeply concerned about that hostility towards international economic co-operation, which jeopardized the very future of UNCTAD and the United Nations. The Board, and especially the Group of 77, could not accept blackmail and arbitrary demands as means of negotiation. As for the consensus which many delegations, especially those of Group D and of Singapore, were defending, it should be recalled that the venue of previous sessions of the Conference had not always been chosen by consensus. For example, the United States delegation had campaigned against the choice of Santiago, which had not prevented the Conference from meeting there.

32. In any case, his delegation doubted that the problem of a decision on the next session of the Conference could be resolved by recourse to dilatory manoeuvres.

33. Mr. HELMAN (United States of America) said that the remarks of the Cuban delegation only confirmed the arguments against choosing Havana for the sixth session of the Conference.

34. Mr. ATAMANOV (Union of Soviet Socialist Republics) pointed out that the Board had been expressly requested to arrange for the next session of the Conference and in particular to decide upon its place, date and duration, which at first appeared simple. If the Board could not manage to fulfil such a simple task, how could it be expected to deal with more complex problems? The invitation given by Cuba at the tenth special session of the Board and repeated at the fifth session of the Conference had given rise to no objections at Manila, and thus Conference resolution 107 (V) had been adopted, confirmed by General Assembly resolution 34/196 (paragraph 23). As for the consensus principle so confidently invoked by some delegations, there appeared indeed to be a consensus, since the Group of 77 and Group D were, on the whole, in favour of holding the session in Cuba, and in Group B only one country was opposed. The arguments adduced in support of the principle of consensus seemed to show a curious interpretation of that principle, implying that if there was general agreement but one country was opposed, there was no longer consensus. That interpretation, debatable at the very least, was a disturbing one for the international forums. In fact the real problem, which the Cuban delegation had quite correctly seen, was not so much a matter of where to hold the next session. It was basically a matter of the sincerity of the intentions of some countries or governments in the area of international co-operation.

35. Mr. MORAN LOPEZ (El Salvador) said that his country endorsed the principles of UNCTAD's universality, of negotiation and of flexibility as a basis for arriving at solutions by common consent.

36. The difficulties created by the general crisis in the world economy should be a warning to the international community and should put it on its guard against attitudes which would run the risk of aggravating the crisis. International agreement, understanding and co-operation represented the wisest course to adopt in trying to resolve the problems of the world economy. They were the foundation of the mandate of UNCTAD.

37. His delegation had followed with interest the efforts made individually and collectively by some countries to take the initiative in seeking well-thought-out solutions to international economic problems, whether through a new North-South dialogue or a South-South dialogue. It did not wish to run against those efforts, but on the contrary wished to help to find solutions.

38. His delegation believed that, in deciding on the place for the next session of the Conference, account must be taken of the need to facilitate international efforts in the area of co-operation in trade and development, and therefore of the world economic situation, the principle of common consent and the universality of UNCTAD. It therefore thought that the decision should be taken by consensus. Experience had shown that decisions adopted in other ways had not always been the most successful. In the present case, the main concern should be the success of the sixth session of the Conference, but it had to be admitted that views on the Cuban Government's invitation were far from unanimous and that even the Group of 77 was divided.

39. His delegation believed that the question had been fully debated. For its part, it would only accept a decision by consensus and it reserved the right to take a position with respect to the Conference at a later date.

40. The PRESIDENT said that, after consulting the delegations of Cuba and the United States and the co-ordinators of the regional groups, he thought it would be advisable to postpone the final decision concerning the place of the sixth session of the Conference until the twenty-third session of the Board. He suggested that the Board should do so.

41. It was so decided.

PROGRESS IN THE IMPLEMENTATION OF SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF ISLAND DEVELOPING COUNTRIES (agenda item 9) (TD/B/C.7)

42. Mr. GALLEGOS (Chief, Special Programme for least developed, land-locked and island developing countries) said that the paper before the Board examined a number of factors generally thought to constitute special constraints to the economic development of island developing countries. The paper rested to a large extent on the recent work done elsewhere in that field, but supplemented it by original research carried out in the UNCTAD secretariat where necessary.

43. From the main conclusions it appeared that there were few issues which were a cause of common concern for all island developing countries and that others, which were a concern for many island countries, were in fact shared with other developing countries which were not islands. Nevertheless, there were a number of issues which interested a sufficient spread of island developing countries to be worth considering as areas for specific action by the United Nations system. Those issues, listed in the last paragraph of TD/B/C.7, could be usefully examined in detail by an intergovernmental group of experts if the Board decided that such a group should be convened.

44. The UNCTAD secretariat intended to continue reviewing the special economic problems of island developing countries, as required by Conference resolution 111 (V). For example, a consultant was studying the extent to which the integrated programme for commodities could resolve those countries' export earnings difficulties.

45. The secretariat was also continuing to respond to requests for technical assistance from those countries on subjects of particular interest to them within the area of competence of UNCTAD.

The meeting rose at 5.45 p.m.

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TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 551st MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 18 March 1981, at 4.30 p.m.

President: Mr. MARSHALL (United Kingdom of Great Britain and Northern Ireland)

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Interdependence of problems of trade, development finance and the international monetary system (continued)

Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries (continued)

Statement by the Under-Secretary-General, Department of International Economic and Social Affairs

Progress in the implementation of specific action related to the particular needs and problems of island developing countries (continued)

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The meeting was called to order at 4.55 p.m.

PROCEDURAL MATTERS (agenda item 1):

(c) ADOPTION OF THE REPORT ON CREDENTIALS (continued) (TD/B/845)

1. The PRESIDENT invited the Board to adopt the Bureau's report on the credentials of representatives (TD/B/845).

2. The report on credentials was adopted.

EVALUATION OF THE WORLD TRADE AND ECONOMIC SITUATION AND CONSIDERATION OF ISSUES, POLICIES AND APPROPRIATE MEASURES TO FACILITATE STRUCTURAL CHANGES IN THE INTERNATIONAL ECONOMY, TAKING INTO ACCOUNT THE INTERRELATIONSHIPS OF PROBLEMS IN THE AREAS OF TRADE, DEVELOPMENT, MONEY AND FINANCE WITH A VIEW TO ATTAINING THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER AND BEARING IN MIND THE FURTHER EVOLUTION THAT MAY BE NEEDED IN THE RULES AND PRINCIPLES GOVERNING INTERNATIONAL ECONOMIC RELATIONS (agenda item 3) (continued) (TD/B/846, TD/B/WG.7/31)

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (agenda item 4) (continued) (TD/B(XXII)/CRP.1)

IMPLEMENTATION OF TRADE AND DEVELOPMENT BOARD RESOLUTION 165 (S-IX) ON THE DEBT AND DEVELOPMENT PROBLEMS OF DEVELOPING COUNTRIES (agenda item 5) (continued) (TD/B/909; TD/B/C.3/80 and Corr.2 and Add.1 and 2; TD/B(XXII)/Misc.3)

3. Mr. ERZIC (Yugoslavia) said that some years previously the non-aligned countries had been alone in drawing attention to the worsening of the world economic crisis. The central problem was the widening gap between developed and developing countries and an important instrument for resolving it was the International Development Strategy for the Third United Nations Development Decade. It was necessary to deploy the entire United Nations machinery, especially UNCTAD, in order to implement that Strategy, and the sixth session of the Conference should be concerned principally with the means of achieving the aims of the Decade.

4. The non-aligned and developing countries saw the global negotiations and the establishment of a new international economic order as a means of overcoming the world crisis. Consequently, items 3 and 4 of the Board's agenda were extremely significant for a comprehensive review and understanding of the present world situation. The Board should therefore undertake a concerted effort to seek common solutions, having in mind the strengthening of peaceful coexistence and co-operation on an equal basis. It should also carry out studies to enable negotiations to be organized and satisfactory solutions found.

5. Mr. KOBAYASHI (Japan), speaking on behalf of Group B, said that the countries of his Group shared the satisfaction of the Group of 77 at the adoption of Board resolutions 165 (S-IX) and 222 (XXI) and recalled the statement they had made on the adoption of the latter resolution. The Group B countries hoped, as did the Group of 77, that the secretariat would be able to complete the analysis of the implementation of resolution 165 (S-IX) by all industrialized donor countries as part of its ongoing programme of work.

6. Group B countries noted with interest the report of the Secretary-General of UNCTAD on his discussions with the International Monetary Fund and the World Bank. They expressed their satisfaction that the invitation addressed by the Board in its resolution 222 (XXI) to the Heads of the Bretton Woods institutions had laid the basis for informal co-operation in the exchange of information. By submitting his report, the Secretary-General of UNCTAD had fulfilled his obligations under resolution 222 (XXI), paragraph 1.

7. Mr. HILL (Jamaica), speaking on items 3 and 4 of the agenda, endorsed the statements made by the Yugoslav delegation and the Chairman of the Group of 77. He was looking forward to the analytical report on world trade and development announced by the Secretary-General of UNCTAD at the previous session and hoped that it would be considered at the highest level in 1987 or 1988. The Secretary-General of UNCTAD was given a mandate by Board resolution 165 (XVI) to carry out any studies he might deem appropriate, and by Conference resolution 90 (IV) to organize a ministerial meeting of the Board. The delegation of Jamaica found it regrettable, as did no doubt the Group of 77 as a whole, that after two expert reports on world inflation, it was necessary to await yet another report for specific proposals on ways of tackling a phenomenon which caused a number of countries to adopt misguided policies and worsened the situation of the poorer countries.

8. Item 5 on the debt problems of developing countries should be kept on the agenda for the next session, before which the secretariat should submit further reports to the Board. Group B countries had achieved partial success in the implementation of Board resolution 165 (S-IX), but they needed to bear in mind the spirit as well as the letter of the resolution and acknowledged that they had not given all the poorer countries the benefit of retrospective adjustment of their aid. Their failure to do so was not in keeping with UNCTAD's spirit of universality.

9. The Group of 77 was prepared to consider informally with Group B countries ways of overcoming any difficulties they might have to face in connection with the implementation of resolution 165 (S-IX). Group B countries should provide the secretariat with more precise information on what they had done to enable the Board to give the matter proper consideration. The Jamaican delegation endorsed the view of Group B on the action taken to give effect to Part B of Board resolution 222 (XXI) concerning future operations relating to the debt problem. That resolution did not entirely meet the expectations of the Group of 77, but it had accepted the resolution in a spirit of conciliation and was now awaiting with interest its implementation and the report of the Secretary-General of UNCTAD on the subject.

10. The already critical situation of the developing countries, in particular the least developed among them, was likely to become worse in the years to come, since public development aid from the developed countries was not very substantial, and there was little likelihood of its increasing by 1985. Third world countries were therefore forced to seek commercial loans, on extremely stringent terms which placed a severe burden on their budget. Furthermore, the developing countries' debt should be seen in relation to their terms of trade, which were steadily deteriorating. The Secretary-General of UNCTAD had made a very keen analysis of the causes of the problem, and if the debt question was merely to be kept on the agenda for the next session, the problem would be dealt with only in part. On behalf of the Group of 77, Mr. Hill expressed the hope that, in the consultations between the President of the Board and the Secretary-General of UNCTAD and the co-ordinators of the regional groups, a way would be found of giving serious consideration to possible solutions to the debt problem before the next session.

11. The CHAIRMAN suggested that the Board should include items 3, 4 and 5 in the agenda of the twenty-third session and refer draft resolution TD/B/L.360 on item 4 (Interdependence of problems of trade, development finance and the international monetary system) to that session for further consideration.

12. It was so decided.

STATEMENT BY THE UNDER-SECRETARY-GENERAL, DEPARTMENT OF INTERNATIONAL ECONOMIC AND SOCIAL AFFAIRS

13. Mr. RIPERT (Under-Secretary-General, Department of International Economic and Social Affairs), stressing the close working relationship between the Department of International Economic and Social Affairs and the UNCTAD secretariat, reviewed the situation regarding the negotiations being conducted at Headquarters on economic questions.

14. The progress achieved over the previous six months had not been negligible but was still insufficient. With regard to the International Development Strategy, to which UNCTAD and the secretariat had made substantial contributions, a draft had been prepared and adopted by the General Assembly, although it was true that significant reservations had been expressed by a number of developed countries. It contained a series of development aims for the developing countries, within the context of the establishment of a new international economic order, and set forth a number of guidelines concerning means of achieving those aims at the national and international levels.

15. The quantitative aims set forth in the Strategy with regard to the growth of developing countries might in the present circumstances appear unrealistic, or at least extremely ambitious. But when one considered the scale of the requirements to be met in order to reduce world poverty, their soundness appeared far less questionable. They did not seem to be unattainable when viewed in the light of past results and of a possible mobilization of national and international efforts. It should also be noted that the new Strategy emphasized more explicitly than the previous strategy that economic growth was but a means to an end, and that the ultimate aim of development was to satisfy human needs, including participation. Consideration was given in it to certain important social aspects of development, such as the role of women in development. Similarly, the Strategy included in its aims a number of measures to reform the system of international economic relations.

16. In view of the present economic situation, the machinery for review and assessment, which was an integral part of the Strategy, was recognized by all participants as being of particular importance, and the procedures were yet to be specified by the General Assembly. Lastly, the Strategy had been designed to act as a frame of reference for international co-operation for development in future years. It was clear, however, that the machinery for action would have to be gradually supplemented as international negotiations progressed, in particular, upon completion of global negotiations on the fundamental issues of materials, trade, energy, development, and monetary and financial questions.

17. With regard to the global negotiations, he said that the consultations held during the thirty-fifth session of the General Assembly had failed to result in an agreement. The President of the General Assembly had therefore been given a mandate to keep open any contacts he might deem useful to enable the Assembly, in the course of the year, to take the decisions necessary for launching the global negotiations. For the time being, the consultations were suspended, since the United States had asked for time to make a thorough reappraisal of positions adopted previously. The consultations of the six previous months had, however, reduced differences of opinion on procedural and agenda matters in some important respects. Nevertheless, there was still disagreement as to the manner of defining the role of the central body responsible to the General Assembly and that of the specialized bodies. The main disagreement concerning the agenda was in the wording of the items relating to monetary questions and energy. He hoped, however, that on the basis of the points on which agreement had already been reached, it would be possible for all parties concerned to agree to start substantive negotiations. In his view, failure by the United Nations to reach agreement would be all the more prejudicial because it would come at a time when, in the numerous uncertainties affecting the world economy, there could be added the apparent inability of Member States to overcome inevitable differences of opinion or understandable suspicions and, on essential matters, to carry on the co-operative endeavour so often rendered necessary by an international economy increasingly characterized by the realities of interdependence.

18. It was true that those disappointing results were largely due to the increasing economic difficulties of all countries in the face of the spectre of political tensions and even armed conflict. In those circumstances, it was difficult to summon the necessary political strength to overcome differences or compromise. The temptation to adopt attitudes of withdrawal or policies of self-interest tended to re-emerge, since the advantages of international co-operation appeared to public opinion, if not to political leaders, to be intangible in the short term to warrant the necessary changes. An analysis of present realities confirmed the serious dangers with which an attitude of frustration or, worse, scepticism would be fraught.

19. There was a virtually world-wide recession in the world economy at a time when a difficult and yet unavoidable adjustment was necessary both nationally and internationally. The average growth rate of the developing countries had fallen from 4.7 per cent in 1979 to 3.0 per cent in 1980. Taking into account the population increase and the deterioration in their terms of trade, it could be seen that in most of those countries there had, for the first time in many years, been a decline in the per capita national product to an extent that varied according

PROGRESS IN THE IMPLEMENTATION OF SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF ISLAND DEVELOPING COUNTRIES (agenda item 9) (continued) (TD/B/941)

26. Mr. GARCÍA REYNOSO (Mexico), speaking on behalf of the Group of 77, reminded the Board of General Assembly resolution 32/185 and Conference resolutions 98 (IV) and 111 (V), which were concerned with the item under consideration.

27. The UNCTAD secretariat had carried out various in-depth studies and had convened a Group of Experts on Feeder and Inter-island Services by Air or Sea for Island Developing Countries in October 1977. At its present session, the Board was to take a decision concerning the convening of an intergovernmental group of experts to deal with the question of island developing countries. In the opinion of the Group of 77, such an international intergovernmental group should be convened in late 1981 or early 1982. The UNCTAD secretariat should be requested in advance to hold as extensive consultations as possible with island developing countries, interested subregional and regional organizations, the United Nations regional economic commissions, regional development banks and competent international organizations.

28. In the International Strategy for the Third United Nations Development Decade, the General Assembly declared that "during the decade, further specific action will be taken to assist developing island countries in offsetting major handicaps due to geographical and other constraints." The General Assembly had also adopted a programme of action in favour of island developing countries; by paragraph 11 it had invited the competent United Nations organs to take further measures as necessary to meet the specific requirements of these countries and had decided to undertake, at its thirty-seventh session, a comprehensive review of the implementation of the measures taken by the international community.

29. The Group of 77 considered that the UNCTAD secretariat's note (TD/B/941) did not adequately identify the problems of island developing countries or the measures required to overcome them; the particular questions for consideration by the intergovernmental group of experts should include the impact of invisibles on island developing countries, having regard to their dependence on transnational corporations for freight rates and air tariffs and on metropolitan insurance companies for insurance, technological requirements, and the particular requirements concerning rules of origin for products of export interest to them.

30. The secretariat should prepare, in co-operation with the Governments of island developing countries and international organizations, a programme of action in favour of island countries, concentrating on co-operation among groups of islands at the subregional, regional and interregional levels. The Governments concerned should also seek the necessary financial and technical assistance from the United Nations Development Programme and other sources.

31. Mr. BORG (Malta) said that his delegation fully supported the statement made by the spokesman for the Group of 77, which highlighted the case of island developing countries and the scant interest which UNCTAD appeared to show in them. The analysis made in the UNCTAD secretariat note (TD/B/941) of many of the constraints accepted by the international community as real handicaps for island developing countries was not sufficiently detailed to bring out the real nature of the problems created by those constraints or to identify the remedial action required.

32. Consequently, if UNCTAD was to take up seriously the problems and needs of island developing countries as it was requested to do in the United Nations General Assembly resolutions, the International Strategy for the Third United Nations Development Decade, and Conference resolutions 98(IV) and 111(V), it was important that the countries concerned should discuss their specific needs and problems in an appropriate forum. So far the countries in question had not had an opportunity of treating their over-all problems in a substantive manner within UNCTAD, the organ chosen by the General Assembly in its resolution 32/197 to deal with the specific problems of island developing countries. Regardless of who was responsible for that situation, it was obvious that an intergovernmental group of experts would serve to help UNCTAD identify the specific measures that would take up the programme adopted at Conference resolution 111 (V).

33. That would do justice not only to the many resolutions adopted on the subject, but also to all island developing countries, which, owing to their particular difficulties and size, did not always have the opportunity to voice their views.

34. [illegible] (Philippines) fully endorsed the statements by the representative of Malta on behalf of the Group of 77 and by the representative of Malta. He pointed out, however, that although there were many island developing countries - including the Philippines, Cuba, Indonesia, Madagascar, Jamaica and Sri Lanka - there was also a fundamental difference between countries such as Malta and the Philippines, namely that the Philippines was an island archipelagic State. The problems facing island developing countries such as Indonesia and the Philippines, which were archipelagic States, were very different from and greater than those facing island countries such as Malta, Jamaica or Cuba. His delegation hoped that when the intergovernmental group of experts met, it would give special consideration to the problems of archipelagic developing countries.

35. [illegible] (Cuba), speaking on behalf of the Group of 77, expressed its concern that the draft resolution on island developing countries contained in document TD/B/L.589 had been withdrawn so early, only a few days before the closing of the Board's session.

36. [illegible] (Malta) supported the statement made by the representative of Indonesia on behalf of the Group of 77, as well as the statements made by the representatives of Malta and the Philippines. It was regrettable that the resources which UNCTAD was in a position to devote to the specific problems of island developing countries were so scanty. It was therefore important that an intergovernmental group of experts should meet to analyse the specific problems of island developing countries. In reply to the statement made by the representative of Japan, she acknowledged and expressed its confidence in the great analytical capabilities of the Group's secretariat and hoped that it would be possible to obtain broad early approval at the outset of the draft resolution.

[illegible]

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TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 592nd MEETING

held at the Palais des Nations, Geneva
on Friday, 20 March 1981, at 3 p.m.

President: Mr. MARSHALL (United Kingdom)

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Closure of the session

The meeting was called to order at 2.45 p.m.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 10) (continued)

(a) DESIGNATION OF INTERGOVERNMENTAL BODIES FOR THE PURPOSES OF ARTS. 7.3 OF THE RULES OF PROCEDURE (continued)

1. The PRESIDENT said that the Secretary-General of UNCTAD had received a cable from the Secretary-General of the League of Arab States requesting that the Board, at its present session, should grant observer status to the Arab Fund for Technical Assistance for African and Arab Countries and indicating that full information concerning the Fund would be forwarded to the Secretary-General of UNCTAD. He suggested that the Board might wish to consider that application at the second part of its twenty-second session if, after examination of the Statutes of the Fund and other supporting material, the Secretary-General considered that the application should be brought to the Board's attention.

2. It was so decided.

SPECIFIC MATTERS ARISING FROM THE RESOLUTIONS, RECOMMENDATIONS AND OTHER DECISIONS ADOPTED BY THE CONFERENCE AT ITS FIRST SESSION REQUIRING ATTENTION OR ACTION BY THE BOARD AT ITS TWENTY-SECOND SESSION (agenda item 2) (continued)

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF THE SECRETARY-GENERAL AND OTHER BODIES (agenda item 6) (continued)

Conference resolution 151 (V): Protectionism and structural adjustment

3. The PRESIDENT recalled that the question of protectionism and structural adjustment had been referred to the President's Contact Group for consideration. As a result of the consultations held in the Contact Group and in a small working group, he was pleased to submit draft resolution TD/B/L.592, which appeared to have the agreement of all groups. He drew attention to the UNCTAD secretariat's statement of financial and administrative implications in document TD/B/L.592/Add.1 and noted that draft resolutions TD/(XXII)/C.1/L.1 and Corr.1 and L.3 had been withdrawn by their sponsors.

4. Draft resolution TD/B/L.592 was adopted, in the light of its financial implications.

Report of the Sessional Committee (TD/B(XXII)/C.1/L.1 and Add.1 and 2, TD/B/L.590)

5. Mr. KRASNOV (Union of Soviet Socialist Republics), speaking on behalf of Group D, pointed out that, in the last sentence of paragraph 36 of document TD/B(XXII)/C.1/L.1, the words "the interests of" should be added between the word "account" and the words "all groups". Furthermore, paragraph 41 of that document should be amended to read:

"At the Board's twenty-first session, the legal liaison officer of UNCTAD had agreed that one of the possible procedures proposed by the countries of Group D with regard to draft resolution TD/L.194, namely, to remit it to the Committee on Commodities, was correct. This continues to be one of the elements of Group D's position. On the other hand, the Board may decide to keep this item on its agenda."

6. Mrs. SELLAMI-MESSIEM (Algeria), Chairman of the Sessional Committee, introducing the report of the Committee, said that the Sessional Committee had been asked to consider agenda item 2, with the exception of Conference resolution 131 (V), and agenda item 8. Having concluded its work, the Committee submitted to the Board, for adoption, a draft resolution on development aspects of the reverse transfer of technology (TD/B(XXII)/SC/L.2); a draft resolution on issues in individual sectors and other areas of critical importance to developing countries (TD/B(XXII)/SC/L.6); a draft resolution on restrictive business practices (TD/B(XXII)/SC/L.7); and a draft decision on the Multilateral Trade Negotiations (TD/B(XXII)/SC/L.4).

7. The Sessional Committee had decided to recommend that the Board should remit draft resolution TD/L.195 entitled "Transnational corporations and international commodity trade" to its twenty-third session.

8. With regard to Conference resolution 109 (V) entitled "Assistance to national liberation movements recognized by regional intergovernmental organizations", the Sessional Committee had taken note of the progress report by the Secretary-General of UNCTAD (TD/B/857) and had expressed the hope that the UNCTAD secretariat would finalize its studies for submission to the Board at its twenty-third session.

9. In conclusion of its work on Conference resolution 119 (V), the Committee had decided to recommend that the Board should defer consideration of the matter to its twenty-third session.

10. Unfortunately, the Committee had not been able to reach a conclusion concerning draft resolution TD/B(XXII)/SC/L.3 entitled "Legislation and regulations on technology transfer", which had been submitted by Mexico on behalf of the States members of the Group of 77 and referred to the President's Contact Group for consideration.

11. Under agenda item 8, the Sessional Committee had taken note of all the reports referred to it and had endorsed the resolutions, decisions and agreed conclusions of the various committees.

Conference resolution 102 (V): Development aspects of the reverse transfer of technology (TD/B(XXII)/SC/L.2)

12. The PRESIDENT said that, if he heard no objection, he would take it that the Board adopted draft resolution TD/B(XXII)/SC/L.2.

13. Draft resolution TD/B(XXII)/SC/L.2 was adopted.

Conference resolution 103 (V) - Restrictive business practices (TD/B(XXII)/SC/L.7)

14. The PRESIDENT said that, if he heard no objection, he would take it that the Board adopted draft resolution TD/B(XXII)/SC/L.7.

15. Draft resolution TD/B(XXII)/SC/L.7 was adopted.

Conference resolution 119 (V) - Protectionism in the services sector

16. The PRESIDENT said that, if he heard no objection, he would take it that the Board decided to defer consideration of that matter until its twenty-third session.

17. It was so decided.

Conference decision 132 (V) - Multilateral trade negotiations (TD/B(XXII)/SC/L.4

18. The PRESIDENT said that, if he heard no objection, he would take it that the Board adopted draft decision TD/B(XXII)/SC/L.4.

19. Draft decision TD/B(XXII)/SC/L.4 was adopted.

Draft resolution TD/L.195 on transnational corporations

20. The PRESIDENT said that, if he heard no objection, he would take it that the Board wished to defer consideration of draft resolution TD/L.195 until its next regular session.

21. It was so decided.

Report of the Committee on Invisibles and Financing related to Trade on the second part of its ninth session

22. The PRESIDENT said that, if he heard no objection, he would take it that the Board decided to adopt the Sessional Committee's recommendation that draft resolution TD/B/C.3/L.131 on insurance of projects financed by foreign aid or by loans should be referred to the Committee on Invisibles and Financing related to Trade at its next session, for further action.

23. It was so decided.

Report of the Committee on Shipping at its ninth session

24. The PRESIDENT said that, if he heard no objection, he would take it that the Board decided to endorse the action taken by the Sessional Committee, which had endorsed resolutions 35 (IX) and 38 (IX) and decisions 37 (IX) and 39 (IX) adopted by the Committee on Shipping at its ninth session.

25. It was so decided.

Report of the Working Group on International Shipping Legislation on its seventh session

26. The PRESIDENT said that, if he heard no objection, he would take it that the Board decided to adopt the Sessional Committee's recommendation that it should endorse resolution 4 (VII) of the Working Group.

27. It was so decided.

Report of the Committee on Transfer of Technology on its third session

28. The PRESIDENT said that, if he heard no objection, he would take it that the Board adopted draft resolution TD/B(XXII)/SC/L.6 entitled "Issues in individual sectors and other areas of critical importance to developing countries".

29. Draft resolution TD/B(XXII)/SC/L.6 was adopted.

Conference resolution 112 (V): Legislation and regulations on technology transfer (TD/B(XXII)/SC/L.5; TD/B/C.6/L.26)

30. Mr. IDRIS (Sudan), introducing draft resolution TD/B(XXII)/SC/L.5 on behalf of the Group of 77, said that, because the scientific and technological infrastructure of most developing countries, and of the least developed countries in particular, was very weak, the Group of 77 attached particular importance to the adoption of national laws and regulations on the transfer and development of technology. It had accordingly submitted draft resolution TD/B/C.6/L.26 at the third session of the Committee on Transfer of Technology. That draft resolution had been supported by the States members of Group B and by China, but, instead of recognizing that assistance to developing countries should be provided forthwith, Group B had proposed amendments to the draft resolution which required the preparation of studies to determine whether laws and regulations on technology were called for or not. Those amendments indicated that Group B was not prepared to move towards a consensus. That was a matter of great regret to the States members of the Group of 77, whose right to adopt such laws and policies on technology as they deemed necessary could not be contested.

31. The Group of 77 had hoped that the Sessional Committee would be able to reach agreement on draft resolution TD/B/C.6/L.26, but it had been disappointed by the non-co-operative attitude taken by the Group B countries. The Group of 77 had therefore had no alternative but to submit to the plenary of the Board, for consideration at the present session, draft resolution TD/B(XXII)/SC/L.5, a revised version of draft resolution TD/B/C.6/L.26, which was now withdrawn by its sponsors. In a spirit of co-operation, the Group of 77 was prepared to defer consideration of draft resolution TD/B(XXII)/SC/L.5 until the Board's twenty-third session, when it hoped that Group B would be able to agree to its adoption.

32. The PRESIDENT said that, if he heard no objection, he would take it that the Board wished to defer consideration of draft resolution TD/B(XXII)/SC/L.5 until its twenty-third session.

33. It was so decided.

34. The PRESIDENT invited the Board to take note of the report of the Sessional Committee, as amended, and to decide that it should form an integral part of the Board's report on its twenty-second session.

35. It was so decided.

36. Mrs. FALAKAH (Palestine Liberation Organization) expressed appreciation to the UNCTAD secretariat for the efforts it was making to implement Conference resolution 102 (V) on assistance to national liberation movements in Africa and Palestine.

37. The study on assistance to the Palestinian people should examine the economic and social conditions of the Palestinian people in the occupied territories and identify the main development problems and obstacles facing that people with a view to formulating proposals, in the context of the International Development Strategy for the Third United Nations Development Decade, on assistance designed

to help the Palestinian people prepare for the stage when they achieved independence. The second progress report in document TD/B/637 was a positive step towards the implementation of Conference resolution 102 (V) and it was to be hoped that a preliminary report would be ready for submission to the Board at its twenty-third session.

38. The efforts being made by UNCTAD were, however, still not sufficient to meet the development needs of the Palestinian people inside and outside occupied Palestine. During the past year, the zionist occupant had continued its oppression of the Palestinian people and had taken further steps to annex more territories and confiscate land belonging to Arab citizens. In addition, the occupying Power was going ahead in the occupied territories and transferring it from Arab areas to illegally established settlements. It was also exploiting the Palestinian labour force by manipulating employment conditions. Many of the actions carried out by the zionist occupying Power were claimed to be justified on the ground that they were "necessary for the defence of Israel". Under the existing political and economic conditions in the occupied territories, Israel's use of natural resources was for the benefit of the Israeli economy alone. The Palestinian people were being forced to seek gainful employment for their own survival and Israel was jeopardizing their independent economic advancement. Consequently, large numbers of Palestinian workers had to seek employment in Israel, in other Arab countries or elsewhere.

39. The Organization, which was aware of the importance of social and economic development and of the need to prepare for liberation and the establishment of an independent Palestinian State, continued to hope that the international community would intensify the efforts it was making to assist the Palestinian people.

ADOPTION OF THE TWENTY-EIGHTH REPORT OF UNCTAD (agenda item 7) (continued)

40. The PRESIDENT said that, under item 7 and the question of the action to be taken pursuant to General Assembly resolution 33/10 had been referred to the Contact Group of the President for further consideration by a Sub-Group of the Contact Group. As a result of the fruitful consultations held in the Sub-Group, the Board had before it draft resolution TD/B/L.[illegible], the statement of its financial implications (TD/B/L.[illegible]/Add.1) and draft decisions TD/B/L.[illegible] and L.[illegible], all of which had been endorsed by the Contact Group. He noted that, in paragraph 39 (i) of draft resolution TD/B/L.[illegible], reference should be made to paragraph 38, not to paragraph 31, and that, as a result of the agreement reached on that draft resolution and those draft decisions, the draft resolutions submitted to the Board at its twentieth session (TD/B/(XX)/RES/2-1/Rev.1, L.2 and L.3 and Corr.1) and the draft resolution submitted by the Chairman of the Sessional Committee at the twenty-first session (TD/B/[illegible], annex II) had been withdrawn by their sponsors.

41. If he heard no objection, he would take it that the Board decided to adopt draft resolution TD/B/L.[illegible] and to take note of its financial implications.

42. Draft resolution TD/B/L.[illegible] was adopted, note being taken of its financial implications.

43. The PRESIDENT said that, if he heard no objection, he would take it that the Board decided to adopt draft decisions TD/B/L.[illegible] and TD/B/L.[illegible].

44. Draft decisions TD/B/L.[illegible] and TD/B/L.[illegible] were adopted.

45. Ms. BEECH (United States of America), speaking on behalf of Group B, said that that Group welcomed the agreement reached at the session on a series of measures designed to rationalize the permanent machinery of UNCTAD. It viewed the resolution just adopted by the Board (TD/B/L.580) as an important step towards making UNCTAD a more effective and efficient organization. The measures provided for in the resolution represented a commendable basis for achievement of the common goal of strengthening UNCTAD. For example, paragraph 3 provided an effective way of organizing future sessions of the Board in order to focus greater attention on important issues. In addition, paragraph 10 constituted a framework for more effective consideration of interrelated issues by the main Committees in conjunction with the Board. Those procedures - building upon decisions already taken in Conference resolution 114 (V) - would make it possible effectively to deal with current issues and, as had been indicated by Group B in the consultations which had been held with the Secretary-General, represented a preferred alternative to the latter's proposal.

46. With regard to other issues under agenda items 7 and 11, Group B had been pleased to join in the decision on supplementary evening translation services and hoped that the services described in section I of document TD/B/840 would continue to be provided, as needed. The Group believed, however, that those services, as well as all the measures agreed upon in the resolution just adopted, should be carried out, to the extent possible, within existing resources. That was a reasonable expectation, since economies should be achieved through the implementation of a number of rationalization measures.

47. Group B looked forward to receiving at the next session of the Board a report from the Secretary-General on all possible ways of complying with paragraph 4 of General Assembly resolution 35/10(A). It hoped that it would be possible to implement that resolution in a manner which would not undermine the decisions just taken to establish a stable calendar of meetings and to strengthen the Board. The best course of action might be to submit the report of the Board on its second regular annual session as an addendum to the report on the first regular session, as was envisaged in paragraph 4 of the General Assembly resolution.

48. Mr. SEKULIC (Yugoslavia), speaking on behalf of the Group of 77, said that UNCTAD had been the source of many bold and innovative ideas in the field of trade and development. A number of the basic concepts embodied in the Declaration and the Programme of Action on the establishment of a New International Economic Order had first been mooted in the organization. Apart from being a source of new thinking, UNCTAD had also provided a forum for deliberations, negotiations and review. That had been possible because the organization had been able to adapt itself to changing circumstances both in terms of institutional improvements and in terms of the issues before it.

49. However, member States had come to the conclusion that more comprehensive measures were required in order to rationalize UNCTAD and to make it more efficient. Much progress had been made along those lines since the fifth session of the Conference and the Group of 77 believed that the resolution just adopted by the Board constituted an important step forward. As the resolution itself stated, however, the measures and recommendations it contained were only a part of a continuing process of improving UNCTAD's effectiveness.

50. The Group accepted all the paragraphs of the resolution in the hope that they would be implemented fully and expeditiously. With reference to the question of office-bearers mentioned in paragraph 10 of the resolution, the Group of 77 considered that the President of the Board had a very important role to play and should not have to seek re-election during his term of office with the members of the Board. Regional consultations on the three candidatures of Brazil to the executive [illegible] appropriate decision should be reached [illegible] consultations.

51. On [illegible] a number of issues raised during the discussion had not been reflected in the resolution just adopted. It was hoped that the work done before the Group met in Vienna [illegible] would [illegible] which would [illegible] resolution would be translated into specific measures which all countries concerned [illegible] to implement.

52. In conclusion, he expressed the Group of 77's appreciation of the supplementary assistance services provided by the United Nations Office at Geneva and hoped that they would be forthcoming when the situation was reviewed at the twenty-fourth session of the Board.

53. Mr. [illegible] (German Democratic Republic), speaking on behalf of the countries members of [illegible], said that they had actively participated in the elaboration of the resolution just adopted by the Board. In [illegible] the statement in that body, they [illegible] to see UNCTAD function in the most efficient manner possible and to ensure that its activities had a positive impact on the development of [illegible] trade and economic relations among all [illegible] of their wishes to establish [illegible]. In their view, the agreement reached was an important step forward in efforts aimed at strengthening UNCTAD's role.

54. They continued to be of the opinion that the rationalization of UNCTAD's machinery should be achieved [illegible] the most effective use of the resources available to the organization, strengthening its main permanent organs, reducing the [illegible] and the duration of meetings, [illegible] goals and [illegible], simplifying the system of subsidiary organs of the Board and the main Committees, and improving methods of work. Rationalization should in no way depart from the main principle of universality, which should be reflected in the composition of the secretariat, the documents prepared by it, and the activities of UNCTAD.

55. The countries for which he spoke believed that rationalization should not lead to additional financial implications. On the contrary, it should enable member States and the secretariat to make the most rational and effective use of the resources available to UNCTAD. They were therefore pleased to note from the statement of administrative and financial implications (TD/B/L. 6/Add.1) that the resolution might result in some savings.

56. Although the resolution just adopted did not always deal with issues in the draft resolution they had submitted at the twentieth session of the Board (TD/B/L.6), they nevertheless attached great importance to it. They did so on the understanding that the Secretary-General of UNCTAD would effect the improvements in [illegible] called for. That, in accordance with the relevant resolutions of the General Assembly, in particular resolution 32/197, all steps would be taken to ensure that the principle of equitable geographical distribution was strictly observed in the recruitment of UNCTAD staff, particularly at the two level, and that,

in view of the Board's decision to strengthen the main committees, including their negotiating function, negotiating conferences would be convened only when the existing permanent bodies of UNCTAD were unable to handle the subject for negotiation. That would be fully in accordance with paragraph 1 of General Assembly resolution 35/10 (C).

57. Mr. [illegible] (Libyan Arab Jamahiriya) said that his delegation welcomed the adoption of draft resolution TD/B/L.[illegible]. In the discussion of that text, in which his delegation had played an active part, it had been stressed that rationalization would enable UNCTAD to carry out its tasks more effectively and efficiently. The resolution did not, however, reflect all of the issues raised during the discussion. Nevertheless, he considered that it had been useful to raise those points and to draw the Secretary-General's attention to them.

58. Mr. [illegible] (United States of America) said that his delegation had accepted paragraph 3 of the resolution and agreed on the understanding that pre-conference documents prepared by the UNCTAD secretariat would be available to all member States and that the secretariat would continue to service only those pre-conference meetings of regional groups which were held in Geneva.

59. His delegation thanked the secretariat for the information contained in the statement of administrative and financial implications (TD/B/L.[illegible]/Add.1) and trusted that all expenditures resulting from the implementation of the resolution would be balanced by off-setting reductions to arise through the implementation of other rationalization measures. It hoped that the secretariat would be able to report to the Board, after a suitable interval, on savings achieved through the rationalization efforts.

60. With regard to the question of supplementary conference services, his delegation had joined in the adoption by consensus of draft decision TD/B/L.[illegible] in recognition of the importance of such services to the work of UNCTAD. It had done so, however, in the expectation that those services would be discontinued during periods of slack conference activity and in the hope that the need for such services would decline if UNCTAD was successful in drastically reducing or eliminating night meetings. His delegation also hoped that it would be possible to provide those services without any net increase in the United Nations conference service budget. It understood that the resolution on rationalization was a major step forward, but believed that much more could be done.

61. Mr. [illegible] (Philippines) said that he was one of those who found the word "rationalization" inappropriate, since, with all its faults, the existing machinery of UNCTAD could hardly be called irrational. General Assembly resolution 1995 (XIX) provided for constant review of the machinery of UNCTAD with a view to improving its effectiveness. He therefore preferred the words "improvement of the existing machinery of UNCTAD" to the word "rationalization".

62. One of the most important parts of draft resolution TD/B/L.[illegible], whose adoption he welcomed, was the section dealing with consultations. Full use should be made of the consultation machinery. Increased participation by permanent representatives, and the more constant availability to them of the Secretary-General of UNCTAD, would contribute to the effectiveness of the machinery.

63. The PRESIDENT moved that the Board had concluded its consideration of agenda item 7.

PROGRESS IN THE WORK OF UNCTAD IN GIVING ADVICE RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF SMALL AND LAND-LOCKED COUNTRIES (agenda item 9) (continued) (TD/B/L.969)

64. The PRESIDENT said that in the light of discussions held in the Contact Group of the President, it was his understanding that agenda item 9, together with the draft decision in document TD/B/ .969, would be retained in the twenty-fourth session of the Board.

65. Mr. UTSI (Zambia) noted that the item had been before the Board for a number of years and expressed concern at the way in which it had been treated within the permanent machinery. Referring to General Assembly resolution 32/185 and Conference resolution 131 (V), he said that in his delegation's opinion, the secretariat had not provided sufficient support to the preparation of the Board's consideration of the matter. His delegation therefore suggested that in postponing the item until the twenty-fourth session, it should be instructed that the Secretary-General of UNCTAD should consult the member Governments particularly interested in the matter and the Committee for Development Planning, which might offer some constructive ideas on ways in which work on it might be continued.

66. It was to be hoped that the documentation for the twenty-fourth session would be of better quality and the progress of those various discussions by member Governments in that connexion. In conclusion, he hoped that his statement would be fully reflected in the Board's report and taken into account by the secretariat in preparing the documentation for that session.

67. The PRESIDENT said that due note had been taken of the point raised by the representative of Zambia.

68. In the absence of objection, he would take it that the Board decided to retain the item, together with the draft decision in document TD/B/L.969, on the twenty-fourth session.

69. It was so decided.

OTHER BUSINESS (agenda item 11) (continued)

Arrangements for review and appraisal of the implementation of the International Development Strategy (TD/B/L.971)

70. The PRESIDENT said that, following consultations with the co-ordinators and in the Contact Group, he submitted to the Board draft decision TD/B/L.971 on arrangements for review and appraisal of the implementation of the International Development Strategy.

71. In the absence of objection, he would take it that the Board decided to adopt the draft decision.

72. It was so decided.

PROVISIONAL AGENDA (agenda item 4) (continued):

(d) PROVISIONAL AGENDA FOR THE TWENTY-THIRD REGULAR SESSION OF THE BOARD AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/L.565)

73. The PRESIDENT drew attention to the draft provisional agenda contained in document TD/B/L.565 and pointed out that, in view of the agreement reached at the present session, the square brackets enclosing item 5 in that agenda should be deleted.

74. It was his understanding that item 5 on the question of debt should read in exactly the same way as it had for the twenty-second session of the Board, i.e. "Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of the developing countries". In addition, item 6 should be completed by the addition of the words "plan, date and duration". In view of the decision just adopted by the Board in connexion with the review of the International Development Strategy, he suggested that the Board should include in the provisional agenda an item entitled: "Arrangements for the review and appraisal of the implementation of the International Development Strategy for the Third United Nations Development Decade".

75. If he heard no objection, he would take it that the Board decided to adopt the draft provisional agenda contained in document TD/B/L.565, amended as he had indicated, and to entrust to the President, in consultation with the Secretary-General of UNCTAD, to adjust the agenda to the theme of development.

76. It was so decided.

77. The PRESIDENT said that if he heard no objection, he would take it that the Board wished to request the Secretary-General of UNCTAD to consult with delegations regarding the organization of work of the Twenty-third session and to circulate the suggestions received.

78. It was so decided.

PROGRAMME OF WORK, PRIORITIES, AND PROGRAMME BUDGET AND RELATED MATTERS (agenda item 10) (continued):

(a) REVIEW OF THE CALENDAR OF MEETINGS (TD/B/L.[illegible] and Add.1-3; TD/B/(XXII)/CRP.3)

79. The PRESIDENT invited the Board to consider the proposed calendar of meetings for the remainder of 1981 and the provisional schedule of meetings for 1982 (TD/B/L.565 and Add.1-3; TD/B/(XXII)/CRP.3). He drew attention to the fact that the representative of Saudi Arabia had proposed that the Investment in connection with certain dates in the calendar of meetings that coincided with Islamic holidays. The matter would be taken up in the normal consultations of the Secretary-General of UNCTAD on the calendar of meetings and the points would be taken note of by the secretariat in preparing a future calendar.

80. Mr. [illegible] (Director, Division for Programme Support Services) said that from current estimates it appeared that the [illegible]. He understood that there was no difference for scheduling the midpoint dates of 25 June-3 July 1981 for the Trade Negotiating Committee and Trade Efficiency, and for scheduling the second part of the

89. The PRESIDENT said that, at the time of the Board's adoption of the report of the Sessional Committee, the Rapporteur had drawn his attention to the fact that what appeared in document TD/B(XXII)/SC/L.1/Add.1 as paragraph 19 should have been placed immediately after paragraph 17. An appropriate correction would be made.

89. He invited the Board to consider, document by document, the different sections of the draft report (TD/B/L.504 and addenda), which would form part of its seventeenth annual report to the General Assembly at its thirty-sixth session.

Document TD/B/L.504

90. Document TD/B/L.504 was adopted.

Document TD/B/L.504/Add.1

91. Mr. KOBAYASHI (Japan) observed that the general statement he had made on behalf of Group B, which appeared in addendum 2, had been delivered before the general statements of the Group of 77 and China, which appeared in addendum 1. He would like the sequence of delivery to be observed in the report.

92. The PRESIDENT said that the sequence would be changed accordingly.

93. Document TD/B/L.504/Add.1 was adopted.

Document TD/B/L.504/Add.2

94. Mr. BARROS-ORTEIRO (Uruguay), Rapporteur, said that the representative of Group D had submitted amendments to paragraphs 19 and 55 for incorporation in the final version of the report.

95. Mr. KOUSHOV (Union of Soviet Socialist Republics) said that the word "problems" and the word "supplies" in the first sentence of paragraph 26 should in each case be replaced by the word "prices".

96. It was so agreed.

97. Document TD/B/L.504/Add.2, as amended, was adopted.

Document TD/B/L.504/Add.3

98. Mr. OREIBI (Libyan Arab Jamahiriya) asked why the words "Organization of Arab Petroleum Exporting Countries", in paragraph 16, were in square brackets.

99. The PRESIDENT said that the contents of the paragraph would be verified and amended as appropriate.

100. Document TD/B/L.504/Add.3 was adopted on that understanding.

Document TD/B/L.504/Add.4

101. Mr. BARROS-ORTEIRO (Uruguay), Rapporteur, said that the representative of the USSR had submitted amendments to paragraph 29 which would be incorporated in the final version of the report.

102. Subject to those amendments, document TD/B/L.504/Add.4 was adopted.

Document TD/B/L.584/Add.5

103. Mr. BAJWA (Pakistan) suggested that the words "speaking on behalf of the Group of 77" should be inserted after the words "The representative of Jamaica", in paragraph 11.

104. It was so agreed.

105. Document TD/B/L.584/Add.5, as amended, was adopted.

106. The draft report as a whole, as amended, was adopted.

107. Mr. MORIMASHI (Japan), speaking on behalf of Group B, said that he wished to convey to the UNCTAD secretariat the Group's appreciation of the efforts which had been made to produce documents in time for the present session. Group B hoped that that achievement was a sign of the way the secretariat's work would be carried out in future.

108. Mr. GARCIA REYNOSO (Mexico), speaking on behalf of the Group of 77, said that the Group was grateful to the President for his effective leadership of the difficult negotiations on the question of protectionism and structural adjustment. Those negotiations should not, however, have given rise to so many problems because the draft resolution submitted by the Group of 77 (TD/B(XXI)/SC.III/L.1 and Corr.1) had been based entirely on Conference resolution 131 (V), which had been adopted without dissent at Manila. Difficulties could also have been avoided if Group B had continued to regard Conference resolution 131 (V) as a true expression of their views. It had been the spirit of compromise and the flexibility shown by the Group of 77 that had led to the adoption at the present session of the draft resolution submitted by the President (TD/B/L.592) and to the agreement by the Group of 77 that consideration of the draft decision on island developing countries (TD/B/L.590) and the draft resolution on legislation and regulations on technology transfer (TD/B(XXII)/SC/L.3) should be deferred until the Board's next session.

109. Mr. ZEMLA (Czechoslovakia), speaking on behalf of Group D, said that the most serious and important matters discussed at the current session had included agenda items 3 and 4, in connection with which all groups of countries had had an opportunity to express their views on the problems of the world economy and, in particular, on the economic development of the developing countries. Other important issues considered had been Conference resolution 131 (V) on protectionism and structural adjustment and the question of the rationalization of the permanent machinery of UNCTAD. Group D was of the opinion that the adoption of draft resolution TD/B/L.592 would pave the way for future progress in the solution of problems relating to protectionism and structural adjustment. It also considered that, although the Board had not been able to solve a number of other problems, good use had been made of the time available during the session to clarify views and create appropriate conditions for future negotiations.

110. Mr. ZHAO Gongda (China) said that, in dealing with a number of difficult questions and reaching a measure of agreement on certain matters, the Board had successfully carried out the tasks assigned to it by the agenda for the session.

111. The PRESIDENT declared the first part of the twenty-second session closed.

The meeting rose at 13.40 a.m. on Saturday, 21 March 1981.

United Nations Conference on Trade and Development

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TRADE AND DEVELOPMENT BOARD

Twenty-second session, second part

SUMMARY RECORD OF THE [illegible]rd MEETING

held at the Palais des Nations, Geneva,
on Monday, 18 May 1981, at [illegible] p.m.

President: Mr. CARACCIOLO (United Kingdom)

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The meeting was called to order at 4.40 p.m.

OPENING OF THE SECOND PART OF THE TWENTY-SECOND SESSION

1. The PRESIDENT declared open the second part of the twenty-second session of the Board.

MEDIUM-TERM PLAN AND PROGRAMME BUDGET (agenda item 8 (c)) (TD/B/MP/L.6 and Add.1-5; TD/B/L.593)

2. Mr. DIAZ-THOME (Mexico), Chairman of the Working Party on the Medium-Term Plan and the Programme Budget, introducing the report of the Working Party on its third session (TD/B/MP/L.6 and Add.1-5 and TD/B/L.593), said that for its consideration of the UNCTAD section of the proposed United Nations programme budget for 1982-1983, the Working Party had had before it document TD/B/MP/12 and the programme elements prepared by the UNCTAD secretariat. The Working Party had been unable to examine the technical assistance activities of UNCTAD and their financing because the second annual report on the subject would not be ready until its fourth session. It had therefore included the subject of technical assistance in the provisional agenda for its next session.

3. It was his belief that the report of the Working Party, which had examined the budget exhaustively, reflected the questions raised and the views expressed by various delegations, together with the replies and comments made by the UNCTAD secretariat. He asked the President to request the Board to transmit the report of the Working Party to the appropriate authorities.

4. Mr. KOBAYASHI (Japan), speaking on behalf of Group B, said that it noted with satisfaction that the UNCTAD section of the proposed budget appeared to be in conformity with the positions taken by a number of Governments in favour of zero real programme growth. In view of the serious economic situation facing the entire international community, the Group was prepared to co-operate closely with the secretariat in finding ways to use existing resources more efficiently in carrying out programmes and activities identified as particularly important to all member States. It hoped that the comments made at the current session of the Working Party would assist the secretariat in allocating resources to programmes in accordance with the decisions and priorities of member States. It also hoped that it would be possible to strengthen the Working Party's role in programme management through the introduction of programme evaluation.

5. It was to be hoped that the report of the Working Party would be fully taken into account by the Committee for Programme and Co-ordination (CPC), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee when they considered the UNCTAD section of the budget.

6. The comments made by individual Group B delegations on specific sections of the budget reflected a concern that in a number of programmes and subprogrammes the UNCTAD secretariat seemed to have given an unduly broad interpretation to its mandate for activities on various policy issues. In other areas, delegations had expressed the hope that the secretariat would focus greater resources on particular programmes through redeployment.

7. With regard to the question of economic co-operation among developing countries (ECDC), he repeated that his Group's support for further work on ECDC was conditional upon the participation of all States members of UNCTAD and their association in the

decision-making process. The Group could not agree to procedures that attempted to limit the discussion of, and documentation on, the substantive issues involved to the members of one caucus group, or to make participation by developing countries subject to the definition of that group. In conclusion, he stressed his Group's firm attachment to the principles of sovereign equality and universality on which all UNCTAD activities must be based.

8. Mr. DABIRI (Iran), speaking on behalf of the Group of 77, said that it had noted with considerable regret that the programme budget for 1982-1983 had had to be based on zero real growth. With regard to the argument that zero growth was required because of the need for fiscal restraint at the national level, it was questionable whether any reductions in expenditure on international co-operation would have a significant impact on national budgets, especially those of the developed countries. In any event, proposals to reduce expenditure on international co-operation were being associated not with over-all cuts in expenditure but with increases in expenditure on areas that did not themselves contribute to international co-operation. It was his Group's view that substantial progress in dealing with the persistent problems of development was an indispensable element in mitigating the economic problems facing the world. It believed that, since the problems of development and structural reform of international economic relations lay at the very centre of the current difficulties of the world economy, a call should have been made for a considerable strengthening of efforts to solve problems in the field of international trade and development rather than proposals for restraint.

9. His Group stressed that the budget should be discussed in the context of the programmes of work arising from the various resolutions and decisions adopted within UNCTAD. While supporting the need for maximum economy in the use of resources consistent with the programme of work, the Group regretted that efforts were being made in the Working Party to dilute mandates that had been freely negotiated and accepted in good faith. At a time when the developing countries - if not the world as a whole - were experiencing unprecedented economic difficulties, the appropriate response should be to strengthen rather than weaken the work of UNCTAD.

10. The Group of 77 noted with satisfaction the Secretary-General's efforts to make the most efficient use of available resources, inter alia through the redeployment of resources that had become available mainly as a result of the successful completion of some recent negotiations. In that connection, it could not but fully support the Secretary-General's intention to use the available resources in a flexible manner in order to meet new situations as they arose in the course of the biennium 1982-1983.

11. With regard to specific programmes, the Group had noted that the programme on the least developed countries as contained in document A/36/6 was of a provisional nature pending the outcome of the United Nations Conference on the Least Developed Countries to be held in September 1981. He hoped that a revision of the document based on the results of the Conference would reflect the importance attached to the programme within the international community and specifically by the Group.

12. While endorsing the programme for commodities suggested by the Secretary-General of UNCTAD, the Group failed to understand that resources made available for the launching of the Integrated Programme for Commodities (IPC) in 1976 were still considered in the 1982-1983 budget proposal as being of a temporary and non-recurrent nature. That would seem to contradict the relevant resolutions. In that connection, the Group fully supported the view that, since the IPC had now become a regular part of UNCTAD's work programme, those resources should be shown as regular resources.

13. The Group could not associate itself with any suggestions aimed at reducing the overall level of work under the IPC. It was particularly concerned about the views of some delegations regarding the resources to be utilized in implementing resolution 124 (V), section III, since it understood that at Manila all Governments had agreed to add a significant dimension to work under the IPC, especially in the fields of processing, marketing and distribution. It accepted the secretariat's explanation that those were relatively new fields which were technically complex and therefore required substantial inputs of staff and related resources.

14. The Group wished to reaffirm its unreserved support for the policy accepted since Manila to redeploy any resources that became available as a result of the completion of work on the Common Fund and on individual commodities to work on the areas covered by the resolution to which he had referred.

15. The Group noted with satisfaction the work being done by the UNCTAD secretariat on the debt problems of developing countries. It hoped that the Secretary-General would continue his activities in that area, as authorized by Trade and Development Board resolutions 165 (S-IX) and 222 (XXI). It was also the Group's hope that the secretariat would continue its consideration of international monetary issues in so far as they related to trade and development.

16. The Group attached great importance to work on the programme on manufactures, and in particular work on protectionism and structural adjustment - issues which lay at the centre of all international debates in the economic field. It could not associate itself with any suggestions from other Groups which, in effect, would result in the non-fulfilment of the mandates given to the secretariat in those areas.

17. The Group of 77 was appreciative of the work done so far by the UNCTAD secretariat to implement resolution 127 (V) and General Assembly resolution 35/195 on ECDC; it hoped that the secretariat would continue to support the efforts of the developing countries in that area.

18. The budget presented by the secretariat did not and could not cover the enormous amount of work which the secretariat was requested to carry out. It was therefore to be hoped that the Secretary-General would be fully supported in all his efforts to mobilize extra-budgetary resources for that purpose.

19. With regard to the Secretary-General's statement concerning marginal and obsolete activities, it would appear to be somewhat futile to identify such activities when the Secretary-General had not been able even to consider the inclusion of certain important areas in his recent programme proposals.

20. As to the functioning of the Working Party itself, he considered that the provision in the Board's resolution on rationalization (resolution 231 (XXII)) that main committees should in future review their respective programme of work might help the Working Party, when dealing with the programme budget, to concentrate more effectively on the main features of the budget and the main orientations of the programme.

21. Mr. DAS (India), speaking on behalf of the Asian Group, said it could not subscribe to the view that there should be a reduction in total resources for work on commodities in UNCTAD. That view implied a considerable slackening in the high level of activity and the intensive negotiating process on individual commodities. That had clearly not been the intention of Governments at the

Fifth Session of the Conference when they had adopted resolution 124 (V), which gave a new dimension to work on commodities in UNCTAD. Nor would such an attitude meet the urgent requirements of developing countries in a sector vital to their economic development or serve the interests of the international community.

22. The work on individual commodities and the efforts made in UNCTAD to establish viable and meaningful international commodity agreements had taken much longer than originally envisaged. It was indisputable that international co-operative action to reform the international commodity economy was still far from reality. Over the past five years, the international community had recognized the importance of the commodity issue as a major problem in the international economic field, and efforts had therefore been made to remedy the situation. UNCTAD had been provided with resources to lay the foundations for international co-operative action. It was essential to avoid adopting a position which would cause that groundwork, which sought to improve the situation in commodity markets for the mutual benefit of producers and consumers, to be eroded for want of resources in UNCTAD.

23. There was an intimate link between the establishment of the Common Fund and activities on individual commodities. It was reasonable to expect a more active and successful negotiating process during a period when the financial facilities of the Common Fund became available; the Group for which he spoke therefore strongly supported continuation of the existing level of resources for work on commodities in UNCTAD.

24. The Asian Group also fully supported enhanced efforts in other areas such as processing, marketing and distribution in order to achieve balanced progress on many dimensions of the commodity problem.

25. The Group welcomed the efforts made by the UNCTAD secretariat in organizing meetings and other related work on ECDC. Such co-operation was one of the main hallmarks of the new approach to the transformation of the world economic structure. He stressed the importance of such co-operation and hoped that the UNCTAD secretariat would be able to continue to support the efforts of the developing countries in that area.

26. Mr. OSEMENKHI (Nigeria), speaking on behalf of the African Group, said some of the remarks made in the Working Party suggested that attempts were being made to curtail UNCTAD's work in the field of commodities through budgetary reductions. The African Group could not support any attempts of that nature. It fully endorsed the approach referred to by the representatives of Iran and India, namely, that adequate resources should be made available to continue work on the Common Fund and expand work on the subjects covered by resolution 124(V), section III.

27. His Group would also like to stress the importance of the programme of work on individual commodities. Although it now appeared that there were difficulties in securing a consensus on price stabilization arrangements for certain commodities, efforts to find appropriate solutions should not be abandoned, and further efforts should be made to reach agreement on development measures which could be financed through the second account of the Common Fund. The African Group attached particular importance to that matter and felt that the areas covered by the second account, such as jute, hard fibres, tropical timber and oil seeds, should be expanded to cover as many other commodities as possible on the Nairobi list. In fact, UNCTAD had already committed itself to expand work in those areas under resolution 124(V), section III, C, which stated that studies should be undertaken on needs and costs

in the medium term in the fields of research and development, market promotion and horizontal diversification. In his Group's view, those studies should provide a basis for promoting international action under the IPC and more resources should be devoted to that activity as work on the Common Fund and other areas was completed.

28. The African Group also attached considerable importance to UNCTAD's work in the field of international food trade and hoped that the resources released from other activities would strengthen such work. The African Group firmly endorsed the IPC and could not support any proposals to cut the budget for the IPC, since any resources released from existing activities could be productively employed in servicing other priority subjects under the IPC. He hoped that his comments would be taken into account in the CPC when the UNCTAD budget was considered.

29. Mr. CERBASI (Venezuela), speaking on behalf of the Latin American Group, supported the statement made by the representative of the African Group and endorsed the comments made by the representative of the Asian Group, particularly with regard to ECDC and the attitude which Groups should adopt in the General Assembly and UNCTAD. He associated his Group with the general position expressed by the Chairman of the Group of 77, who was clearly opposed to any reduction in the level of activity, and therefore the budget, under the IPC. In Manila, all Groups had adopted resolution 124(V) on the assumption that UNCTAD would embark on a major new effort in the field of commodities, and in particular the establishment of an international framework for co-operation in the processing, marketing and distribution of commodities. Since the fifth session of the Conference, the Committee on Commodities had taken steps to implement a programme of work which would begin in November, when the Permanent Sub-Committee and subsequently the Committee on Commodities were to meet. As the secretariat had explained, a substantial number of staff and related budget resources would be needed for that work. If the objectives set in resolution 124(V) were to be met and more thorough studies were to be carried out in new sectors, the secretariat could not be denied the necessary resources or the flexibility required in order to administer those resources.

30. The Latin American Group attached considerable importance to ensuring that work on the Common Fund and individual commodities was sustained and that progress was made as fast as possible in other areas such as international food trade. In the interests of furthering international co-operation in the field of commodities, one of the few areas in which some modest though slow progress had been achieved by UNCTAD, he urged all Groups to fulfil the commitments entered into at Nairobi and Manila and to support continuation of the level of resources now devoted to the IPC.

31. Mr. ABBAS (Sudan), also speaking on behalf of the African Group, expressed support for the position of the Group of 77 regarding the programme for the least developed countries for the biennium 1982-1983. The African Group noted with regret that, despite the acute problems facing the least developed countries, there had been no growth in their programme during the past biennium. The future work programme on the least developed countries would depend upon the results of the United Nations Conference on the Least Developed Countries to be held in Paris in September 1981. The African Group strongly urged that the capacity of that programme should be increased, taking into account resolution 122(V), paragraph 40,

which called for additional resources to strengthen the programme for the least developed countries and for a separate division for the least developed countries within the secretariat. As the Secretary-General of the Paris Conference, the Secretary-General of UNCTAD would submit the financial implications of the decisions of the Conference to the General Assembly; the African Group requested him to ensure that the necessary financial and human resources should be made available for the least developed countries division. The African Group also requested him to consider the redeployment of additional resources within the secretariat to strengthen the least developed countries division and requested that all the main committees should consider how they could contribute to programmes for the least developed countries in the context of their activities. The concerns he had expressed should be fully reflected in the budget which was to be submitted to the General Assembly for adoption.

39. Mr. KOHL (German Democratic Republic), speaking on behalf of Group B, said that in line with its general support for UNCTAD activities, his Group attached great importance to the activities of the Working Party, and welcomed the zero growth concept proposed for the budget. It believed that a degree of flexibility was needed for the work programmes and that the main areas of work should be determined by the legislative mandate contained in General Assembly resolution 1995 (XIX). The Group had also referred to General Assembly resolution 35/209, which stressed the need to stabilize programme budgets and delete obsolete, marginally useful or ineffective elements from programmes, so as to ensure that available resources would be used in an effective manner. UNCTAD should adhere strictly to its mandate, bearing in mind the universal nature of work in the sphere of trade and related matters.

40. The Group had made a comprehensive and realistic assessment of the budget for 1982-1983, which would have to cover a number of important activities pursuant to the decisions adopted at the fifth session of the Conference and prepare for the sixth session. The workload of the UNCTAD secretariat would therefore be increased. Only if the decisions on the rationalization of work were implemented throughout the secretariat could strict discipline be maintained in keeping within the budget; that would avert unjustified increases and enable UNCTAD to keep to the proposed zero growth concept. For that reason his Group had consistently requested that the financial implications of resolutions and decisions should be taken into consideration. A critical analysis of programmes and programme elements must include strict observation of the principle of universality in the allocation of resources for UNCTAD's work.

41. A number of specific proposals on the various programmes had been made in the Working Party by representatives of Group B and he hoped that they would be taken into consideration in the preparation of the final budget for 1982-1983. The activities of the Working Party would be undermined if the major results of discussions were not accurately reflected in the programme budget. That point would be borne in mind in his Group's final assessments and statements in the Fifth Committee of the General Assembly and other United Nations bodies concerned with programme and budget matters. Lastly, in his Group's view, the activities of the Working Party were gaining in importance and therefore helped to increase the effectiveness and efficiency of UNCTAD's work. Group B would also contribute to that endeavour in the future.

35. Mr. HARRIS (United Kingdom), speaking on behalf of the delegations of Australia, Belgium, Canada, the Federal Republic of Germany, Italy, Japan, Spain, Switzerland and the United States of America, as well as his own delegation, said that in view of the importance of evaluation activities, he hoped that the UNCTAD secretariat would take the necessary initiatives to develop an internal evaluation system, as recommended in the recent report of the Joint Inspection Unit (JIU/REP/81/6), to strengthen UNCTAD's programme management and to enable its intergovernmental bodies more effectively to assess the results of its work programmes. Like the spokesmen for other Groups, he was convinced that the Working Party, as a subsidiary organ of the Board, would prove useful, not only in improving future decision-making in UNCTAD, but also in achieving efficient utilization of UNCTAD's resources.

36. Mr. LI (China) said that his delegation supported the adoption of the report of the Working Party and the budget. In the present international economic situation, even greater importance should be attached to UNCTAD's work and it should be given the necessary manpower and financial resources, within the United Nations system, to strengthen its activities. His delegation endorsed the priority areas referred to by the Secretary-General of UNCTAD in his introductory statement, namely commodity prices and earnings, the IPC, protection and structural adjustment, money and finance, ECDC, the transfer of technology, the generalized system of preferences and the programme for the least developed countries, all of which should be given proper attention in the work programme.

37. His delegation agreed that the Secretary-General of UNCTAD should be given greater flexibility in the management of financial resources. In view of the zero-growth concept for the UNCTAD budget, available manpower must be used rationally and effectively to ensure that work continued in priority areas.

38. The PRESIDENT said that he had listened with great interest to the statements on the medium-term plan and programme budget. There appeared to be general agreement that the Working Party had produced a very useful report and that the Board should reflect on the value of that aspect of UNCTAD machinery. He would like to feel assured that both the report of the Working Party and the comments made at the current meeting would be given full weight in further discussions of the programme budget in the CPC and the other bodies which would be considering it.

39. If there was no objection, he would take it that the Board wished to take note of the report of the Working Party on its third session and the programme budget for the biennium 1982-1983 and request the Secretary-General of UNCTAD to transmit the report, together with the comments made thereon, to the appropriate United Nations bodies for their consideration.

40. It was so decided.

DESIGNATION OF INTERGOVERNMENTAL BODIES FOR THE PURPOSES OF RULE 76 OF THE RULES OF PROCEDURE (agenda item 10 (c)) (TD/B/EX.2)

41. The PRESIDENT said that at the first part of its twenty-second session, the Board had been advised that the Secretary-General of UNCTAD had received a cable from the Secretary-General of the League of Arab States requesting observer status for the Arab Fund for Technical Assistance for African and Arab Countries. The Board had agreed, exceptionally, that if, after examination of the statutes of the Fund and supporting material, the Secretary-General of UNCTAD considered the application should be brought to the Board's attention, it would be put to the Board during the second part of its twenty-second session. The application of the Arab Fund was therefore before the Board in document TD/B/EX.2.

OTHER BUSINESS (item 11)

91. The PRESIDENT recalled that the provisions of the resolution on rationalization of work contained references to the planning of the sessions of the Board itself. Those provisions would be taken into account in preparing for the next session of the Board. In that connection, he felt it might be appropriate if he were to consult the members of the Board at an appropriate time. If that seemed desirable, he would find a way to arrange informal consultations for that purpose. If there was no objection, he would take it that the Board agreed to that procedure.

92. It was so decided.

ADOPTION OF THE REPORT OF THE BOARD TO THE GENERAL ASSEMBLY (item 12)

93. The PRESIDENT said that, as the Board would realize, it had not been possible, in the time available, for the Rapporteur to prepare a draft report on the second part of the twenty-second session. It therefore suggested that, as in the past, the Board should note that the report on the session would form part of its annual report to the General Assembly. The Board might also wish to authorize the Rapporteur to prepare the report after the session of the meeting, for submission to the General Assembly.

94. It was so decided.

95. The PRESIDENT declared the twenty-second part of the Board closed.

The meeting rose at 1.00 p.m.